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DEBATE IN THE SENATE

—ON THE—

# PUBLIC EXPENDITURE

OF THE DOMINION,

MARCH, 1878.

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SPEECHES OF THE HON. MESSRS.

Macpherson, McLelan and Campbell

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OTTAWA:

1878.

DEBATE IN THE SENATE

# PUBLIC EXPENDITURE

OF THE DOMINION

1870-1871

REPORT OF THE COMMISSIONER

OF THE LAND OFFICE

1871

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## PUBLIC EXPENDITURE OF THE DOMINION.

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Hon. Mr. MACPHERSON, pursuant to notice, rose to call attention to the public expenditure of the Dominion, especially that portion of it which is largely within the control of the Administration, and enquire of the Government how it is proposed to restore the equilibrium between income and expenditure. He said: It is with a great deal of reluctance that I bring the subject of the finances of the country before the House, because I am aware that it is not an attractive one to many hon. gentlemen; but as I last Session and the Session before felt called upon to refer to what I considered the extravagance and wasteful expenditure of the Government, especially the more controllable portion of the expenditure, I feel it now my duty to submit to the House what I believe has been done by the Government since last Session, whether in the way of retrenchment or otherwise. It was my opinion (and is still,) that very great extravagance prevailed throughout the Administration; that it had its centre at Ottawa, in the Departments here, that the extravagance here has been most reckless and wasteful, and that the example set here has been followed in the administration of the affairs of the country to its remotest bounds. I complained last Session that it was stated, in the Speech from the Throne, that there had been such retrenchment effected as would aid in bringing about an equilibrium between revenue and expenditure. I stated, at the time, I was afraid that that was not the case. I think I was able to show, and will be able to show to-day, that such was not the case, but that, on the contrary, the expenditure was increased, and the revenue and expenditure are as far from meeting to-day as they were this day last year. I intend to-day to make my remarks as brief as I can. I

do not propose to extend my comparison of expenditures generally beyond those for the year 1877 with 1876, though I may occasionally extend them further. I established last Session that the present Government is responsible for the increase in controllable expenditures between 1873 and 1876, to the extent of \$1,800,000. That, as I always admitted, is necessarily an estimate,—nothing more than an estimate can be made as to the expenditure for which each Government is responsible; but I believe that in forming that estimate I was liberal and generous to the present Government, liberal beyond what the strict facts demand, and in proof of that view there is the fact that the expenditure of 1876 over 1875—two complete years of the present Administration—was \$717,060. One million eight hundred thousand dollars for three years would give an annual increase of \$600,000. And, as I have stated, the ascertained increase in one year was \$717,060.

Hon. Mr. BROWN — Between what years?

Hon. Mr. MACPHERSON—The expenditure of 1876 over that of 1875. I think this is very strong circumstantial proof of the liberality of my estimate. It is quite true the amount charged in 1877 against the consolidated revenue fund is less than the amount charged in the preceding year, and it would be very remarkable if it were not so. I shall proceed almost immediately to show wherein the difference arises. I fear it will not be found there has been what may fairly be considered retrenchment, and I fear it will not be found that there has been an earnest attempt to economize the expenditure, although it has been decreased, necessarily decreased.





I hold that the decreased expenditure on public buildings, amounting to \$330,415 is no evidence of retrenchment. The buildings on which expenditure was incurred in 1876, and not in 1877, were finished in 1876, and I do not suppose the Government would claim credit for not expending money on buildings which were actually completed. The expenditure in the North-West especially at Battleford, is very large, and I believe, very unwise.

Hon. Mr. AIKINS—Absolutely useless.

Hon. Mr. MACPHERSON—Fort Pelly has been abandoned, and Battleford's turn for abandonment, I fear, will also come. The expenditure on buildings in that country is enormous, and entirely uncalled for and useless. I am not satisfied, from what I learned in the North-West, that we have the whole of the expenditure before us. I was told, not by one, but by several, that there was a systematic holding back and manipulation of

payments, so that they should not appear in the Public Accounts, which were closed on the 30th June last. I do not vouch for the truth of it, but from what I heard, I have no doubt in my own mind that it is true. There is an enormous expenditure there, and to enquire into it thoroughly would require investigation by a Royal Commission.

Hon. Mr. SCOTT—Hear, hear.

Hon. Mr. MACPHERSON—It cannot be ascertained before the Public Accounts Committee of the other House. It is utterly impossible. It is too large a subject to be investigated in a Session, and where there is opposition to enquiry, and a desire to cover up, we know that very little can be accomplished by a committee. You must send to where the facts and witnesses are. I shall now state the expenditure in Harbors, Piers and Breakwaters, during each of the two years. It was as follows:—

*Harbors, Piers, Breakwaters on which Expenditure was incurred in 1876-1877 with list of new items for 1877 only*

| PLACE.                     | 1876.   | 1877.   | PLACE.                      | 1876.   | 1877.   |
|----------------------------|---------|---------|-----------------------------|---------|---------|
| Kingston H.....            | 6,267   |         | <i>Brought forward.....</i> | 433,788 | 264,522 |
| Cobourg .....              | 23,403  | 8,060   | Cow Bay.....                | 46,458  | 8,656   |
| Port Hope .....            | 14,372  |         | Ingonish .....              | 17,926  | 24,851  |
| Port Stanley.....          | 4,732   | 3,394   | Mabou .....                 | 10,084  |         |
| Bayfield .....             | 18,398  | 21,200  | Margaree.....               | 3,000   |         |
| Kincardine .....           | 4,668   | 10,514  | Harbourville.....           | 2,000   |         |
| Owen Sound.....            | 5,500   |         | Broad Cove.....             | 3,000   |         |
| Port Darlington.....       | 5,790   |         | Margaretville.....          | 5,000   |         |
| Port Burwell.....          | 3,422   | 5,173   | Oyster Pond, Chedabucto     | 2,000   |         |
| Chantry Island .....       | 41,624  | 38,095  | Michaud and Mark Points     | 97      | 10,228  |
| Goderich.....              | 127,200 | 86,175  | Cranberry H.....            | 2,000   |         |
| Toronto.....               | 2,824   | 17,075  | Church Point.....           | 2,000   |         |
| Oshawa.....                | 5,000   |         | Saultnierville .....        | 2,000   |         |
| Saguenay.....              | 2,000   |         | New London, P. E. I.....    | 503     |         |
| Bugotville.....            | 2,000   |         | Tignish.....                | 4,557   | 4,750   |
| Baie St. Paul.....         | 8,000   |         | Colville Bay.....           | 20,000  | 19,871  |
| Malbaie.....               | 8,000   |         |                             |         |         |
| Eboulements, ext. of B'r   | 7,500   |         |                             |         |         |
| Riviere Blanche, P.....    | 873     | 1,060   |                             |         |         |
| Dipper H.....              | 279     |         | ON THE FOLLOWING THERE      |         |         |
| Point du Chêne.....        | 7,223   |         | WAS NO EXPENDITURE          |         |         |
| Richibucto.....            | 10,853  | 1,621   | IN 1876.                    |         |         |
| Shippagan.....             | 6,312   | 9,133   |                             |         |         |
| St. John Harbor.....       | 64,335  | 65,090  | Thunder Bay.....            |         | 5,990   |
| Grande Anse, B. des Chal's | 3,000   |         | Riviere Ouelle.....         |         | 1,213   |
| Campobello.....            | 600     |         | Musquodibit.....            |         | 1,000   |
| Meteghan Cove.....         | 5,000   |         | Chipman's Brook.....        |         | 2,750   |
| Liverpool H.....           | 8,933   |         | Lingan Beech.....           |         | 2,000   |
| Jordan Bay.....            | 17,466  |         | Tracadie.....               |         | 873     |
| Oak Point.....             | 15,000  |         |                             |         |         |
| Trout Cove .....           | 4,000   |         |                             |         |         |
|                            | 433,788 | 264,522 | Decrease in 1877.....       | 554,413 | 346,713 |
|                            |         |         |                             |         | 207,700 |
|                            |         |         |                             |         | 554,413 |

The decreased expenditure on Harbors &c. in 1877, compared with 1876, amounted to \$207,700. I take it, those harbors on which there was no expenditure in 1877, like the buildings, were finished and required no more expenditure on them. So I do not find an opportunity here to give credit to the Government for retrenchment. The name of some of the piers in the St. Lawrence, might recall to the mind of the hon. Senator from Lambton the Baby jobs, but that the Fort Francis Lock should have done so is somewhat surprising. I may remark that I made enquiries about those Baby jobs and found that every succeeding Government had found it necessary to keep the piers that were described as Baby jobs in repair to serve the purposes of commerce, and most of them have been added to by the Government. At Rimouski, for instance, the mails for the whole country west of that point are landed, and a very large expenditure has been made there to enlarge and improve the wharf. On some harbors there has no doubt been a good deal of unnecessary expenditure by the present Government. Take the Goderich Harbor upon which \$213,375, was expended in 1876 and 1877, there is no question it cost \$30,000 more than it need have done, through the Government giving it to a bidder higher than the lowest. They perpetrated a piece of most unjustifiable favoritism. I do not like to apply the term "jobs" to an act of the very highest ministers in the country, and yet I do not know any other word in the English language which will describe what was done by the Government in respect to that contract. Then there are Antigonish, Cow Bay, and other harbors in the Maritime Provinces. Cow Bay may recall another picture which the hon. Senator for Lambton once drew—that is, the Maritime calves milking the Ontario cow.

Hon. Mr. MILLER—If the cow had no calves, she might have had no milk.

Hon. Mr. MACPHERSON—If the present Government remain long in power, I do not think she will continue to have any. The decrease on buildings amounts to \$330,415; the decrease on harbors, piers and breakwaters \$207,700; the decrease under the head of improvements of rivers, \$148,003; making a total decrease in ex-

penditure upon buildings, piers, harbors, breakwaters and river improvements between the expenditure of 1877 compared with 1876 of \$686,118. The saving in ocean and river service was chiefly in repairs, maintenance and buildings. I think there was one vessel built in 1876. Of course if a steamer had to be built in 1876, and others had to be repaired, the Government can hardly claim credit for retrenchment for not repeating the expenditure when unnecessary, in 1877. In police and penitentiaries there is a small saving. Harbor police at Montreal and Quebec show a saving. There has been no expenditure under those two heads since 1875. In Dominion Police there is a small saving. I hope it is judicious economy. I do not consider parsimony by any means to be economy, and the very first duty of a Government, is to do what may be necessary for the security of life and property in the country, and they should be slow to disband a disciplined police force without being certain that it can be safely dispensed with. I think there has been evidence this winter that perhaps such a force as the Montreal Police would have been serviceable. There is a very considerable reduction in lighthouses and coast service, amounting to \$74,570. There is some reduction in construction, but it is chiefly in salaries and maintenance, and it is very difficult to see how it has been brought about. There must either have been great extravagance in 1876, or the service must have been injured in 1877.

Hon. Mr. PENNY—Hear, hear.

Hon. Mr. MACPHERSON—I think there was extravagance in 1876 as the figures will show. I hope the Government will explain the reason for increasing the salaries and maintenance from \$394,904 in 1875 to \$427,661 in the following year, and then again in 1877 reducing them to \$391,673. I repeat, that the increase in 1876 cannot have been required, or the service has been injured by the reduction in 1877; but in 1876 the Government had not been much influenced by the exposure that had been made of their extravagance. Where would we have been if the reckless extravagance of the Government had not been checked by the attention of the public having been called to it. The next item

is the Dominion Force in Manitoba and the North-West Mounted Police. On the Dominion Force there was a reduction in 1876 and also in 1877, and I suppose the item will disappear altogether from the Public Accounts in 1878. Whether that is wise economy, or not, remains to be seen. I myself am exceedingly doubtful of it. I think it is scarcely safe or wise to leave that remote province without a small force for its protection. The Mounted Police shows a slight increase. The next item I come to is the Weights and Measures. I believe that Act is being carried out in a way that is exceedingly burdensome and obnoxious to the people. Whether there is a return to the public in more honest weights, &c., or not, is a question which I will leave for the Government to answer. I only call their attention to it. It is a most vexatious measure, and is particularly complained of throughout the country. This measure was put in force by the present Government. The hon. the Secretary of State generally tries to lay the entire odium or responsibility of measures that have been put in force recently, upon the late Government, and has done so in this House repeatedly with respect to this measure.

Hon. Mr. SCOTT—Did not Mr. Tilley take a vote for it?

Hon. Mr. MACPHERSON—Neither Mr. Tilley nor any other member of the late Government put this act in force. It was passed while the late Government were in power but it contained a suspensory clause, which declared that it should not go into force until a proclamation should be issued by the Governor-General putting it into operation. Does the hon. gentleman mean to say that that proclamation was issued by the late Government?

Hon. Mr. SCOTT—Mr. Tilley took a vote to purchase standards.

Hon. Mr. MACPHERSON—Did Mr. Tilley buy standards? He took the vote, but the hon. gentleman found the vote, and wanted the patronage, and put the act into force.

Hon. Mr. PENNY—As the late Government would have done.

Hon. Mr. MACPHERSON—I do not know whether they would or not, but I know the present Government did. I think it is an unworthy thing for any one, whether it be an individual or a Govern-

ment, to throw upon others the responsibility which they themselves incurred. Some four years have elapsed and the hon. the Secretary of State finds it difficult to attach all the blame to the late Government, and now he attaches it to the employees of the late Administration, who have been retained by the present one, as if the Government were not responsible for the acts of its own employees. This Weights and Measures Act has been a very expensive one. In 1875, to put it in force the expenditure was \$69,969, and no return for it. In 1876, the expenditure was \$99,784, and no return from it. In 1877, the expenditure was \$111,084, and the return was only \$50,423. Now, I think Sir Francis Hincks was the Finance Minister when this Bill was passed, and he estimated the cost of it at \$50,000; it was not expected to exceed that. The \$50,000 collected last year was so much taken out of the pockets of those whose weights and measures were tested, and to them it must have been a very serious amount. The cost of the inspection of staples and the adulteration of food is an item scarcely worth giving attention to. I do not know what has been done with respect to the checking of the adulteration of food; probably the hon. the Secretary of State would tell the House what result is being obtained from that expenditure. I come next to an outlay under the head of "Expenditures on Public Works charges on Revenue." What is meant is really the working and maintenance of Public Works. The officials connected with railways and canals—lock-tenders and their superiors, laborers and all others—and the same with respect to telegraphs. There is a reduction this year under this head, but in a very curious form. I have separated the labor from the salaries, as I did last year. In 1875, the salaries for canal and river works, and piers below Quebec, amounted to \$239,859. In 1876, they were increased to \$250,952. In 1877, they were reduced to \$248,328.

Hon. Mr. WILMOT—Is that salaries only?

Hon. Mr. MACPHERSON—Yes. I will give the labor presently. The salaries were reduced \$1,600, as compared with 1876. The labor was as follows:—In 1875, \$278,059; in 1876, \$257,142; in 1877, \$180,100.

Hon. Mr. SCOTT—There is an improvement.

Hon. Mr. MACPHERSON—A great reduction, indeed, a reduction of nearly \$80,000. But the strange thing is, that it is altogether in labor. There is no reduction whatever in the salaries.

Hon. Mr. SCOTT—The salaries are low enough probably.

Hon. Mr. MACPHERSON—The present Government profess to be specially the workman's friends, and there is a wonderful reduction in the amount paid to the workmen, while the decrease in the salaries is merely nominal. It seems as if the labor was reduced, but the superintendence of labor was not diminished in the least. Then there are railways and telegraphs. In 1876, the amount charged under that head, was \$1,536,403, and in 1877, it was \$1,923,324. That shows a very large increase, but, unfortunately, it does not show the whole of it.

Hon. Mr. SCOTT—That is capital account.

Hon. Mr. MACPHERSON—No; it is a charge on Revenue. There is an extraordinary piece of book-keeping, by which an item under the head of Open Accounts, appears, namely—"Intercolonial Railway Suspense Account, \$343,591."

Hon. Mr. SCOTT—That is coal cars, I think.

Hon. Mr. MACPHERSON—No. If the hon. gentleman will look at the Public Accounts he will find that the whole amount expended on renewals last year was \$543,591. Of that amount, of money paid out, there is charged to the Suspense Account, \$343,591, and to the Revenue, \$200,000. Now, why should a suspense account be opened for an amount that has actually been paid? It would, no doubt, be very convenient for the Government—especially in the financial condition of the country—to charge items of expenditure to suspense account instead of against revenue as they ought to be charged. But can anything be more unreasonable, or unsound, or absurd than to charge to suspense money that has been paid? What does a suspense account mean? You place in suspense accounts items that are in doubt, items that have not been paid; items that are disputed or

doubtful, but when an amount is paid there can be no question whatever as to what should be done with it. On all the canals, for instance, there are spare lock gates. You may as well put the cost of those into a suspense account. You may with equal propriety put steel rails into a suspense account and say you will not charge them against capital until they are used. You might have done the same with the Fort William lands, or the Neebing Hotel, though I fear if that building were kept in a suspense account until it became profitable, you would keep it there a long time. This item is clearly chargeable against the Consolidated Revenue Fund, that is, chargeable against income, and instead of being so charged it has been placed away in the open accounts in a manner which is altogether unjustifiable. Nothing could be more delusive than the manner in which those items have been entered; it is an incorrect representation in the Public Accounts of a very large amount. There is another item of \$68,000 for stores, the difference between the value of stores received and issued for the use of the Intercolonial Railway. Now that ought not to have gone into open accounts. Those stores, I take it, have been paid for, and when paid for they should be charged to the Consolidated Revenue Fund, but I have left them where they were. While in my own mind, I have no doubt that they ought to be charged against revenue it may with a certain amount of plausibility be urged, that inasmuch as those stores are on hand and not used they may be an offset for the money. Nothing could be more unsound and incorrect, but not to expose myself to the charge of placing anything against the Consolidated Revenue Fund that ought not to be there, and what every one will admit ought to be there, I do not propose to put the item of \$68,000 to it, but will let it remain where it is. The amount therefore which ought to be charged under the head of railways and telegraphs instead of being \$1,923,324 is really \$2,266,915. There is also another large item which I might raise a question about, but for the reason which I gave a moment ago I will not do so. Now I come to details of expenditure on account of Civil Government. I dare say hon. gentlemen will remember I separated contingencies from salaries last year, and I



have done so again this year. In 1876 the salaries were \$670,142, and the total contingencies for that year was \$171,602. In 1877 the total salaries were \$654,714, and total contingencies were \$157,479. A satisfactory reduction is going on here, and there was undoubtedly great room for it. It is gratifying to see that there has been an impression made on contingencies, but it will be for this House and the country to judge whether the Government, or those who called attention to their extravagance, deserve the most credit for it.

Hon. gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—I hope that, under the heading of "Contingencies," payments have not been postponed until after the 30th of June.

Hon. Mr. SCOTT—No.

Hon. Mr. MACPHERSON—It is a very easy thing to do; purchases are made in England or at a distance, and it is a very easy thing for the Government to postpone the payments till after the close of the financial year.

Hon. Mr. SCOTT—The hon. gentleman can see that the item has been steadily going down year after year.

Hon. Mr. MACPHERSON—The next statement relates to the Departmental Contingencies at Ottawa, and the amounts paid to extra clerks. In 1875, the total departmental contingencies were \$212,327; including extra clerks, \$38,821. In 1876 the departmental contingencies amounted to \$171,602; extra clerks, \$31,651. In 1877, departmental contingencies, \$157,479; extra clerks, \$30,237. Contingencies of the House of Commons:—1875, \$90,000; 1876, \$130,000; 1877, \$120,000. Total contingencies at Ottawa in 1876, \$301,602; in 1877, \$277,479. The reduction in the amount paid to extra clerks is very small—not sufficient to thin the corridors, which we were told last Session, were crowded with that class. The saving of \$1,400 on the year will not affect the number of extra clerks materially. Now I come to the Administration of Justice: there is no department of the Government in which the expenditure has increased as steadily as in this since the advent of the present Administration. The increase since 1873 has been \$166,631 per annum. It is an enormous increase.

The Supreme Court is down for \$51,485 in 1877, as compared with \$35,667 in 1876. This is an enormous increase. I have stated before in this House that I hold the Government very largely responsible for the increase in Ontario. I think it would have been very much better had the creation of the Supreme Court been deferred for a time. We had a very high Court of Appeal—without a superior in the world—The Judicial Committee of the Privy Council, and one which cost this country nothing; one which but few suitors resorted to, because they were satisfied with the decisions in this country. Now, there is a sum of \$51,485 charged against the country, and the cost to suitors, on the whole is very great. I saw that the ex-Minister of Justice in a speech which he delivered last Autumn, characterized what I said, on the subject of the Administration of Justice in this House, as "a very ignorant attack." I will not notice that now, but I shall do so before I sit down. In Ontario there are loud complaints of law costs. Men are drawn into Chancery and may win their suits and yet be ruined in the process.

Hon. Mr. PENNY—It is the same in many other countries also.

Hon. Mr. MACPHERSON—There is really no such opening for a public man to serve his country as there is in Ontario as a law reformer. The changes in the system seem to have been designed to promote appeals, and in each higher court that you go to the costs are greater than the one immediately below. A legal gentleman will deliver an argument in the court below for a moderate fee, and will repeat that argument with little addition in a higher court and charge two or three times the amount that he was satisfied with in the court below. My next statement relates to the Customs Department. That department seems to be the most extravagantly managed—if it is possible to say which is the most extravagant—of the Government. The cost of collecting the revenue is constantly increasing. It has increased every year since 1876 while the revenue has been decreasing.

Hon. Mr. CAMPBELL—Hear, hear.

Hon. Mr. MACPHERSON—In 1875 the revenue from customs was \$15,351,011 and the cost of collecting it was \$682,673;

in 1876 the revenue was \$12,628,837 and the cost of collecting it was, \$721,008; in 1877 the revenue was, \$12,546,987—another decline—and the cost of collecting it increased to \$721,604. The percentage cost for collecting the revenue in 1875 was 4.45; in 1876 it was 5.62 and in 1877 it had run up to \$5.75. I call the attention of the House to the customs and cost of collection at the port of Montreal. In 1875 the revenue amounted to \$5,866,711 and it cost to collect it \$99,823, being 1.70 per cent. In 1876 the revenue had fallen to \$4,292,057, and the cost of collection had increased to \$117,275, and the percentage rate was 2.73—an increase of more than one per cent as compared with the previous year. In 1877 the revenue was \$3,869,704, and the cost of collecting it had again increased to \$117,989, being a percentage of 3.05. Hon. gentlemen will perceive an enormous increase in the cost of collecting a decreasing revenue in those three years. I am not going to maintain here that it will be possible, where there is such a large falling off of revenue, to reduce the cost of collecting it in the same proportion. That would be quite impossible and unjust to a great many men, but, at the same time, there is no excuse for increasing the cost of collection as has been done, and it is a matter which, I hope, the Government will explain to the House in some satisfactory manner. The receipts at the port of St. John were, in 1875, \$1,070,460, and the cost of collection was \$46,932, or 4.38 per cent.; in 1876, the receipts at that port were \$812,832, cost of collection, \$47,674, or 5.86 per cent.; in 1877, the revenue at that port was \$854,126, cost of collection, \$48,796, or 5.71 per cent. Now this is a matter that requires attention, and the attention of the country ought to be directed to it. It is impossible that the public service can have called for an increase of expense in this department, when the revenue in 1877 was largely below what it was in 1875. I repeat, hon. gentlemen, it is impossible that this increase in the cost of collection can have been made in the public interest. There is but one way to explain it, and that is, that the Government are lowering the Customs Department in this country to take rank with the Customs Department in the United States, and we all know

that the Customs Houses in New York and Boston are the most corrupt offices in the United States, cesspools seething with political corruption and dishonesty, and I fear it is coming to be as bad in our own country. This may have been one of the places where the great crowd of supernumeraries we have heard of had been seen. In Excise, there has been a very large falling off, and a small decrease in the cost of collecting it. In 1876 the revenue from excise was \$5,563,487, and in 1877 it was \$4,941,898. In 1876 the cost of collecting it was \$218,359, and in 1877 it was \$211,157, showing a falling off in excise revenue of \$621,589, and a decrease in the cost of collecting it of \$7,202. Now I come to the Post Office Department, a department that is managed very expensively. I am quite aware that there is no more valuable institution in the country than the Post Office, and that it ought to be extended as far as the convenience of our people require it. In forming new settlements, postal accommodation should be extended as rapidly as possible. While that is true, it is also true that no department in the Government affords greater scope for favoritism and partiality than the Post Office. The revenue from that Department in 1875 was \$1,155,332; the cost of collection was \$1,520,861, showing a loss of \$365,529. In 1876, the revenue was \$1,102,540, and the cost of collection was \$1,622,827; a loss of \$520,287. In 1877, the revenue was \$1,114,945, the cost of collection was \$1,705,311; a loss of \$590,366, an increasing loss each year, showing that in 1875 it cost \$1.31 to collect a dollar; in 1876 it cost \$1.47 to collect a dollar, and in 1877 it cost \$1.53 to collect a dollar. It is difficult to believe that that increase of expenditure is done in a spirit of economy, and without reasons that are not before me, I cannot believe that it is so. At the same time, I say again, it is a department that I would not by any means starve or stint; on the contrary, it is a department that ought to be made to serve our own people who go out and form new settlements. I next come to the Department of Agriculture. This department is becoming more and more costly every year, for the little that it accomplishes. The number of immigrants brought to this country in 1875 was 16,038; in 1876 the



number was 10,091, and in 1877 there were only 7,743. The cost per head in 1873 was \$7.76; in 1875 the cost was \$18.90; in 1876 it was \$26.55, and in 1877 it reached \$27.04 per head. I have only taken the number of immigrants which landed at Quebec. For these we employ agents in Europe to direct them to our shores. The cost per head of the immigrants is based on the expenditure, less the amount loaned to the Mennonites. Adding the cost of the transport of the Mennonites, but excluding the loan, the cost per head for 1876 was \$30.10. The cost per head in 1877, on the same basis, was \$29.60. Our returns show an arrival of immigrants numbering 7,743 souls, but of that number the Government know that only about 4,000 were induced to settle in this country—at least they believe that number settled in Canada. As for the others, they do not know what has become of them. No doubt they had through tickets, and went on to the United States, rendering this country no benefit whatever, except the little money they may have spent in passing through the country. I see by an English paper, that the emigrants from Canada this year are set down at 5,000 against 7,000 sent out. The 7,000 is roughly stated, but it agrees very nearly with the number, according to the return of the Minister, who left for Canada, giving the colony a gain of just 2,000 souls. So that we paid upwards of \$300,000 last year to secure those 2,000 immigrants. Now, judging by the reports, I see the agents in Europe are really deterring emigrants from coming to Canada. That seems to be their employment. I think this department should be called "The Anti-Immigration Department," for since the days of the great Agent General, down to the present, I believe the efforts of the agents are directed to prevent emigrants from coming to this country. Emigration is very small from Europe at the present time, and I do not see why an expensive staff of agents are kept on the other side at all. Here are \$300,000 expended, of which a great part is actually thrown away and wasted. I hope the Minister of Agriculture will be able to tell us that it is the intention of the Government to reduce the European agencies.

I will now submit a memorandum showing the balance, as I make it out to be,

between the increases and decreases of expenditure in the years 1876 and 1877. According to the Public Accounts, there is a decrease in 1877 in certain items of expenditure charged to Consolidated Revenue Fund, amounting to \$1,810,840, and an increase in certain other items amounting to \$474,802, but the latter amount is understated by the amount of the "Intercolonial Railway Renewals Suspense Account," \$343,591, making the sum of the actual increase \$818,393, and showing an apparent balance of decreases over increases of \$992,447. I will now explain how this sum is made up, and more than made up, by diminished expenditure, which cannot be considered retrenchment. There is a decrease in the expenditure for Militia and Defence of \$428,729—that is, the expenditure has been reduced from \$978,530, in 1876 to \$550,451 in 1877. Now, I ask hon. gentlemen, if it is possible that that reduction can be a wise retrenchment, unless the intention is to disband and abolish the force, and that this is really the beginning of the process of disbandment? If the Government are prepared to tell us that that is their policy, it can be understood, but it is utterly impossible to believe that a department like the Militia Department can bear a reduction, in one year, of nearly one half of the usual annual expenditure. It is quite possible, from what the hon. Secretary of State said the other day about Fort Francis Lock as a military work, that the expense on that work may be charged in future to the Militia Department. It certainly has quite as much to do with the Militia Department as it has to do with the Pacific Railway, and that is nothing whatever. The decreased expenditure upon public works in 1877, compared with 1876, was \$686,118, and is caused by the cessation of payments on works which have been completed. Then there is on the Dominion Lands Survey in Manitoba, a decrease of \$122,830. The surveys were discontinued because more lands were surveyed than were necessary. I do not think the Government can claim this as retrenchment. The Government cannot take credit for discontinuing payments upon new buildings or other works when they are finished, or for stopping surveys when more land is surveyed than is likely to be wanted for years. Then

there is a decrease of \$51,947 for Dominion Forces in Manitoba. They have been disbanded, I believe, so that they could not be paid. Then there is on the Boundary Survey, a decrease of \$134,105. That survey was completed, and, of course, the officials and men were not likely to be continued under pay after their work was done, so I cannot award the Government great credit for retrenchment there. Settlers' Relief Fund in Manitoba, \$83,405. That is an item that, happily, was not required in 1877, and its non-payment cannot be spoken of as retrenchment. The net result is an increase in the controllable expenditure of the Government in 1877 of \$513,527 as follows:—

|                                                                                                                                   |             |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------|
| Decreases in Expenditure charged to Consolidated Revenue Fund, in 1877.                                                           | \$1,810,840 |
| Increases " " " 474,802                                                                                                           |             |
| Add short-charged against "Public Works charges on Revenue" being for Intercolonial Railway Renewal Suspense acc., 343,591        | 818,393     |
| Apparent decrease.....                                                                                                            | \$992,447   |
| But among the items showing a decrease are the following which, as I have explained, are not decreases effected by retrenchment:— |             |
| Militia & Defence.....                                                                                                            | 428,079     |
| Public Works.....                                                                                                                 | 686,118     |
| Dominion Land(surveys)                                                                                                            |             |
| Manitoba.....                                                                                                                     | 122,320     |
| Forces " ".....                                                                                                                   | 51,947      |
| Boundary survey.....                                                                                                              | 134,105     |
| Settlers' Relief, Manitoba                                                                                                        | 83,405      |
|                                                                                                                                   | 1,505,974   |
| Making the actual increase of strictly controllable expenditure in 1877 over 1876....                                             | \$513,527   |

I do not assert that these figures are exact. It is impossible to arrive at an exact balance, but I believe it to be an approximate estimate, and fair and liberal to the Government. It shows that, so far from the controllable expenditure having been decreased, it has actually been increased, in 1877 over 1876, by about half a million of dollars. I think the House will agree with me that the Government do not deserve credit for economy; that they have given us none of the retrenchment and economy which they promised and which we had a right to expect from the professions and previous character of the hon. gentlemen. The next statement which I will submit is a comparative statement of revenue and expenditure for each financial year, since Confederation. It is as follows:—



It will thus be seen there was a surplus every year down to and including 1875, amounting, in the aggregate, to \$12,010,708. In 1876 there was a deficit of \$1,900,785, and in 1877 there was another deficit of \$1,460,027, to which has to be added the "Intercolonial Railway Renewal Suspense Account," \$343,591, making the deficit of that year \$1,803,-

618. The item of \$68,388 for Intercolonial Railway stores should also be added, but, for reasons which I have already given, I shall not add it. It gives me no pleasure to have to show that the deficit is larger than stated by the Minister of Finance. The next statement shows the Capital Expenditure since Confederation. It is as follows:—





On the Pacific Railway, the total expenditure from Capital has been \$7,975,578. There is a very strange entry in that account. There is an item under the head of "Pacific Railway Construction," of \$572,144 19, value of rails and material transferred to the Intercolonial Railway. I cannot find that item in the account of the Intercolonial Railway. It is taken bodily out of the Pacific Railway account, but I have not been able to find it in the other account.

Hon. Mr. BOTSFORD—Does it not

appear in the Public Accounts somewhere else?

Hon. Mr. MACPHERSON—I have not been able to find it in the Intercolonial Railway account. If it is there, it must be in some account, forming a larger sum, but my impression is, it is not there, so that that item should be added either to the Pacific Railway expenditure or to the Intercolonial Railway expenditure. I now come to a comparative statement of the public debt and interest:—

*Comparative Statement Public Debt and Interest.*

| PUBLIC DEBT.                                              | TOTALS.     | INCREASES.   | INTEREST ON DEBT.                                               | TOTALS.   | INCREASES.  |
|-----------------------------------------------------------|-------------|--------------|-----------------------------------------------------------------|-----------|-------------|
| Total Debt 1873.....                                      | 129,743,432 | .....        | Total Interest 1873...                                          | 5,549,374 | .....       |
| Increase 1873 to 1874.....                                |             | 11,420,119   | Increase 1873 to 1874.....                                      |           | 573,470     |
| Total Debt 1874.....                                      | 141,163,551 | .....        | Total Interest 1874.....                                        | 6,122,844 | .....       |
| Increase 1874 to 1875.....                                |             | 10,499,850   | Increase 1874 to 1875.....                                      |           | 217,212     |
| Total Debt 1875.....                                      | 151,663,401 | .....        | Total Interest 1875.....                                        | 6,340,056 | .....       |
| Increase 1875 to 1876.....                                |             | 9,541,286    | Increase 1875 to 1876.....                                      |           | 413,115     |
| Total Debt 1876.....                                      | 161,204,687 | .....        | Total Interest 1876.....                                        | 6,753,171 | .....       |
| Increase 1876 to 1877.....                                |             | 13,471,147   | Increase 1876 to 1877.....                                      |           | 379,237     |
| Total Debt 1877.....                                      | 174,675,834 | .....        | Total Interest 1877.....                                        | 7,132,408 | .....       |
| Total Increase of Debt<br>in 1874-1875-1876-<br>1877..... |             | \$44,932,402 | Total Increase of In-<br>terest in 1874-1875-<br>1876-1877..... |           | \$1,583,034 |

It shows the public debt now stands at \$174,675,834, a very formidable sum, hon. gentlemen will admit, and nearly four millions of it—\$3,862,068—is a sum that we have not received, but our debt has been increased by that amount which was sunk by the Minister of Finance in England, in payment of interest in advance, spread over the period of the loan for the sake of getting a nominally lower rate of interest. When I last alluded to this, I had not the Public Accounts before me, and I did not see the whole amount that had been sunk in this way, but it is as I have stated it, that the amount so sunk by the present Finance Minister is \$3,862,068. Our debt has been increased by that amount, and we are paying interest upon it while we did not get the principal.

Hon. Mr. BOTSFORD—And we must repay the principal?

Hon. Mr. MACPHERSON—Certainly we must repay the principal, although

we did not receive it. A good deal may be said on both sides of the question as to which is more expedient, negotiating a loan at par, or at a discount. I maintain, that in a country like this, which is constantly borrowing, we should pay the rate of interest that will give us as nearly as possible par loans. It is exceedingly important for us to maintain our credit, but the increasing number and amount of our loans, and alarmingly increasing debt, is calculated to injure our credit. The very first question that would be asked the Minister of Finance, if he went to negotiate another loan, would be the amount of our debt. He would state the amount of debt and say that it was at such and such rates of interest; that we had a certain amount of assets, &c. But that is a very undesirable mode of applying for a loan. Whenever it becomes necessary for a borrower to enter into explanations of that kind, it is prejudicial to his chances, and he has to pay more for his money. A very unfortunate system has been adopted,

by the present Minister of Finance, of borrowing at a large discount for the sake of obtaining a lower nominal rate of interest. I think this will be apparent to the country now, when they see that our debt amounts to nearly four millions more than we have received as the proceeds of his loans. We will have to repay the nominal principal in full, and also pay interest upon it. Now, hon. gentlemen, we have had a deficit in each of the last two years of, in round figures, a couple of millions, and it is not proposed to do anything this year to cover these four millions. Is it possible that that will not affect most prejudicially the credit of the Dominion? Does not the Government know, as well as every thinking man in the country knows, that it will be impossible, from the present sources of revenue, to overtake those deficits. I believe the Government are perfectly well aware of it, and that they must have some scheme of taxation which they ought to communicate to Parliament and to the people, but which they studiously withhold. There can be no question about that. There is some scheme contemplated which will probably be a very unpopular one, a very odious one, which they know if they communicate to the people now, would be very unpopular. They have no right to retain a scheme in reserve which concerns the country so deeply.

Hon. Mr. WILMOT—There is an income tax, perhaps?

Hon. Mr. MACPHERSON—An income tax and a land tax, no doubt. There will be some odious and inquisitorial tax that will be found to be as unpopular and obnoxious as it is possible for taxes to be.

Hon. Mr. BROWN—Oh! oh!

Hon. Mr. MACPHERSON—Yes, and no doubt the hon. gentleman is in the secret and knows all about it. Look at the decline in values; our tariff is mainly an *ad valorem* one, and as the values of staples decline, so must our revenue. Why, even if the depression in the country were succeeded by early prosperity, the general values of goods cannot be expected to advance in the sudden way they declined, and unless they do, no matter what the prosperity of the country may be, the necessary revenue will not be obtained from the sources which we have heretofore depended upon, and which have

sufficed. The hon. gentlemen know that, and it is dishonest in them to pass through this last Session of this Parliament, and not tell the country what they intend to propose, if they should have an opportunity of doing so. The percentage of deficit for each of the two years was, in 1876, on the total revenue, nearly 8½ per cent.; and on taxation, 10½ per cent. In 1877 it was about 8½ on revenue, and 10½ on taxation. I do not attach very great importance to the difference between revenue and taxation, because all has to come out of the people, but as a matter of fact, the statement is as I have placed it before the House. Is it not unpardonable that the Government should keep the country in ignorance of what they intend to do in the matter, when every hon. gentleman must see that some new scheme of increased taxation is absolutely necessary unless some real retrenchment be inaugurated? In England, the revenue is something like £80,000,000. Supposing the Chancellor of the Exchequer came down with a deficit of more than 10 per cent., what would the country say to him? Would the country allow Parliament to rise without increasing the taxation? They might eject the Chancellor of the Exchequer and his colleagues from office, but Parliament would impose taxation or reduce expenditure, and the credit of the country would be maintained. The credit of the Dominion is being destroyed by the system pursued by the Government. Here they are going on accumulating these deficits. Why, the deficit is nearly one-third of the interest of our public debt. Will hon. gentlemen consider what that means?

Hon. Mr. WILMOT—It is compound interest.

Hon. Mr. MACPHERSON—Fancy the case of a farmer who has a mortgage on his farm. The first thing he must do is to support his family. That done, suppose he then finds the balance of his income one-third less than the interest he has to pay on the mortgage. What is his position? Unless he can raise three blades of grass where he raised two before, or retrench, ruin is before him; and it is just the same with countries as it is with individuals. No doubt this country will recover itself, but it will be at a very great cost. The customs revenue, for the

year up to the tenth of February, shows a small increase, but I am not at all sure that it will not show a decrease on the year, because the importations on the year are falling off. The mild season we have had, while favorable for the poor, has interfered very seriously with the consumption of winter goods of all kinds. People in poor circumstances have done without the winter clothes that they intended to purchase, and will wait for another winter. To say that we are to let another year pass in this way, increasing our debt by deficits, is the most unwise administration that it is possible to conceive. I stated, in the early part of my remarks, that the late Minister of Justice, in the speech which he delivered before his constituents in South Bruce, addressed the following very rude remarks to me:—"A very ignorant attack was made on the Administration of Justice, not in the House of Commons but in another place." We all know, hon. gentlemen, what that means, and he might just as well have named me, because I was the only person in this House who spoke on that subject. I am not disposed to pass without comment an observation of that kind coming from the ex-Minister of Justice. His remark was very unjust. I made no ignorant attack. I think I can appeal to hon. gentlemen to say whether I am in the habit of making ignorant statements in this Chamber. My statements have been questioned sometimes, but they have never been refuted or disproved.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—Hon. gentlemen on the other side had said they only wanted a little time to answer my statements, my charges of extravagance against the Government, but the time has never come—perhaps it will come to-day—but neither here nor elsewhere, with all the ingenuity that has been possible to bear from the Departments has one of my statements been refuted. I made no ignorant statements in this House with respect to the Administration of Justice. I merely stated what the amount of the increased expenditure chargeable upon the public was, and where it was, but I also stated, and I repeat it again now, that so far as Ontario was concerned the changes there could not have been made if the ex-

Minister of Justice had been opposed to them, and I repeat here, that the changes that have been made in the laws and procedure of Ontario are all in the interests of the lawyers. But, hon. gentlemen, I should rather fall into an ignorant statement than make a disingenuous statement, and I believe I can show that the Minister of Justice did so at Teeswater, in the county of Bruce, before his constituents. If a gentleman makes an incorrect statement ignorantly, it is, at all events, done without evil intent, but when a man makes a disingenuous statement it is quite another thing. I shall quote from the authorized edition of those speeches—precious production it is. On page 136, under the head of "economies effected" Mr. Blake said:—

"Now I will give you the results of that re-organization. The staff had been increased in 1873, and in November of that year, at the resignation of the late Government, the annual rate of charge for salaries, including bonuses and an officer charged on contingencies, was over \$13,500. Changes subsequently took place, and the rate of charge when I took office in May, 1875, was over \$15,750. I was, as I have said, unable to make a reduction in salaries during the first year; but the re-organization which, with the assistance of my colleagues, I was enabled to effect was such, that in June last, when I left office, the rate of charge for salaries was only \$10,750, (loud cheers) a reduction of over \$5,000, or about one-third of the rate when I took office, and of \$2,800, or about one-fifth of the rate when the late Government resigned. (Renewed cheers.) This great reduction in the annual charge upon you for salaries has been effected, you will bear in mind, notwithstanding the enormous increase in the work, to which I have already called your attention. Combining the charges for salaries and contingencies, the total charge for the contingencies of 1873, and the rate of salaries for November of that year, would be over \$23,000. When I took office they would be over \$26,600; and for 1873 they were reduced to less than \$21,000; when I left office they had fallen to \$13,537, about one-half, or a saving of \$13,000 on the rate when I came in, and five-twelfths, or a saving of \$9,500 on the rate when the late Government resigned; and this, mark you, once again, in the face of an enormously increased volume of work. (Loud cheers.) Now, sir, I do not propose at this moment to enter into an enquiry as to how the large sums I have named came to be expended by our adversaries in 1873, in the execution of the comparatively small work of that time. Our opponents, at any rate, will not contend that their expenditures were wrongful or wasteful; they will argue for their propriety and necessity; they will tell you that they could not conduct the business of the State

"more economically than they did. Assuming for the moment, without at all admitting the accuracy of this view, I leave you to contrast the figures I have given, and to determine whether they furnish any ground for charging us with extravagance or incapacity in the management of these departmental matters, which, it has been rightly said, are peculiarly under our own eye and control, and in respect of which, therefore, we have a special responsibility. Nay, sir, I go further—I report the charge upon our adversaries; I say these figures put them, and not us, on the defensive; that they lead to inferences the very opposite of those which have been urged against us; and that we may fairly ask you to decide that we have been able to walk in a more excellent way than followed by our loud-mouthed accusers. (Hear, hear, and cheers.) In 1873, the telegraph account was \$4,371.88; in 1876, \$1,164.69; and in 1877, \$330."

It will be seen from this extract from his speech that the Minister of Justice combined salaries and contingencies for one financial year, and the rate of salaries for one month, in another financial year so that it is exceedingly difficult—in fact impossible—to compare that particular statement with the Public Accounts; but Mr. Blake said combining salaries and contingencies when he took office they would be over \$26,600, and for 1876 they were reduced to less than \$21,000. When he left office they had fallen to \$13,537. Now hon. gentlemen the Public Accounts show that the salaries and contingencies of the Department of Justice amounted to in

|            |          |
|------------|----------|
| 1875 ..... | \$32,696 |
| 1876 ..... | 27,979   |
| 1877 ..... | 21,484   |

This makes a difference between the Public Accounts and Mr. Blake of

|               |         |
|---------------|---------|
| \$6,096 ..... | in 1875 |
| 6,979 .....   | in 1876 |
| 7,947 .....   | in 1877 |

Now hon. gentlemen I presume that the then Minister of Justice excluded his own salary from the expenses of his office. Why he should have done so is to me incomprehensible. I at first thought it possible from an expression which he had used in another part of his address—that he had not drawn his salary, but on looking at the Public Accounts I found his salary drawn like that of other Ministers, properly drawn. The statement was unquestionably delusive to his hearers. He stated that the expenses of his department were seven thousand dollars less than

they really were during each of the years 1875, 1876 and 1877.

Hon. Mr. SCOTT—If the hon. gentleman will look at the estimates he will find that departmental expenditures do not include the Ministers' salaries.

Hon. Mr. MACPHERSON—The hon. gentleman says they are not in the estimates, but they are in the expenditure. The Public Accounts are the place to find the expenditures, and not the estimates. The Public Accounts are my authority, and the Minister of Justice was speaking of expenditure, he was not speaking of estimates, and his hearers, the honest men of Bruce, would suppose he was making a full disclosure of the expenses of his office while he did not do so. In 1877, Mr. Blake took credit for reducing the expenses of his office, but he has divided the department, separating the Penitentiaries branch, but this subdivision did not reduce the gross expenditure. The salaries of the Penitentiaries branch in 1877, were \$2,577; and contingencies, \$1,683; making together, \$4,260. I am inclined to think that the expenses of the office were very little increased by that sub-division, and that the item of \$4,260, ought to be added to the \$21,784, making the expenditure, \$26,044 for that year. In 1872-3, the expenses of the Department of Justice—the salaries and contingencies, including the salary of the Minister—were \$26,837, and in that year the Mounted Police Force was mainly organized, and organized through that department, without any additional charge to the public, so that even if the whole of this sum of \$4,260, connected with the Penitentiaries branch, which I think ought to be added to the expenses of the Department of Justice, should not be strictly so charged, the organization of the Mounted Police in 1872-73 is a fair set off against it. When the hon. gentleman was making those comparisons, comparing the expenses of his department with the expenses of the same department during the time it was under the administration of Sir John A. Macdonald, and glorifying himself at the expense of his predecessor, I think he might have gone a little further and compared their own salaries. He should have told the people that while he was drawing \$7,000 a year—I think he had then taken the office of President of the Council, which he had himself declared

to be a sinecure—Sir John Macdonald had discharged the duties of Minister of Justice and of Prime Minister, for \$5,000 a year down to the last year of his Administration.

Hon. Mr. PENNY—Who made the change.

Hon. Mr. MACPHERSON—That is not the question. Mr. Blake benefited by the change. I see by the Public Accounts of 1877, that the contingencies of that department were only \$2,760, an enormous reduction, and if they can be kept at that Mr. Blake deserves great credit for it. But, strange to say, I see in the estimates for 1878-79, the contingencies are put down at \$5,500, and that in the Penitentiaries branch they are put down at \$1,750. If those items are added together the reduction will not be as great as promised. I think, however, hon. gentlemen, that those who called attention to the enormous and wasteful expenditure of the Government deserve more credit than the Ministers for whatever retrenchment has been effected. In the year 1872-73, Sir John Macdonald's last complete year, the expenses of the Department of Justice amounted to \$26,837; in 1875, the first complete year of the administration of this Government, they increased to \$32,696; in 1876 they were \$27,979, and in 1877 they were \$21,484. I ask hon. gentlemen if the duties of this office can now be performed for \$21,484, how are they to justify the increase by the present Government of the expenditure to \$32,696 in 1876? But that is not all. The Minister of Justice called attention particularly to the Telegraph Account. He says "in 1873 the telegraphic account was \$4,371.88 for that department; in 1876 it was \$1,164.69 and in 1877 it was \$330." That is an enormous reduction, but I will ask hon. gentlemen if they would not suppose from the passage I have read, that the amount charged for telegraphing in the Department of Justice in 1872-73, was the largest that was ever known in that department; it was held up as something altogether scandalous, and we are told of Mr. Blake's reduction. Now will it not surprise hon. gentlemen when I tell them that in 1874-75, the first complete year of the present Government, when the Department of Justice was administered for a part of the year by Mr.

Fournier, and a part of it by Mr. Blake, that the telegraphing cost \$5,399.44, being upwards of one thousand dollars more than it was in 1872-73.

Hon. Mr. PENNY—What months was the increase in? There was a great deal of telegraphing in a certain month.

Hon. Mr. MACPHERSON—There are no details given in the Public Accounts, just the amounts for the year, but there is this to be borne in mind, that the Minister of Justice in Sir John Macdonald's Administration was also Prime Minister, but he was not so in Mr. Mackenzie's Administration. It is well known that there is much more telegraphing in the Premier's department than in any other in the Ministry. I have, therefore, added together the expenses for telegraphing in the Departments of Justice and Public Works, for 1872-3, when Sir John A. Macdonald was Premier and Minister of Justice, and Mr. Langevin was Minister of Public Works, and they amount to \$6,851.54, while in 1874-5 the telegraphing in the same departments, Mr. Mackenzie being Premier and Minister of Public Works, was \$9,551.44. Now, I ask, hon. gentlemen, in the face of such facts as these, was it a proper thing for Mr. Blake to address the honest men of Bruce as he did, with respect to the telegraphing of the public departments of the country? Was it not calculated to mislead his hearers? I have calculated the number of messages per day, that must have been received in the Department of Justice in 1874-5. The amount paid was \$5,399, being, at a quarter of a dollar per message, about 21,600, messages.

Hon. Mr. SCOTT—A large portion of that was in consequence of the Mounted Police, the management of which was in the Department of Justice.

Hon. Mr. MACPHERSON—Were they telegraphing to the Mounted Police on the prairies?

Hon. Mr. SCOTT—Yes, and there were long distances which special messengers had to take them, and it is one of the expensive items in connection with that department.

Hon. Mr. MACPHERSON—Just think of a minister sitting at the receipt of 70 messages per day, every day of the week, and every week of the year!

Hon. Mr. SCOTT—Are you calculating at 25 cents per message?

Hon. Mr. MACPHERSON — Yes, there are some of them run, no doubt, more, but I take that average.

Hon. Mr. SCOTT — Messages to British Columbia sometimes cost \$15 to \$20 each.

Hon. Mr. MACPHERSON — I suppose the great majority of them were at 25 cents each.

Hon. Mr. BROWN—You cannot make 25c. a message an average because that is the lowest price.

Hon. Mr. MACPHERSON—A man receiving twenty or even fifty messages a day is to be pitied. It is sufficient of itself to impair a man's health. Imagine 70 telegraph messengers rushing into his office every day? It is enough not only to impair his health but to distract his mind and to unfit him for business. Then there was \$6,277.24 for the telegraphing of the Customs Department.

Hon. Mr. AIKINS—Twenty dollars a day for every working day of the year.

Hon. Mr. MACPHERSON—Exactly, and at the same rate as I calculated the others, it is 80 messages a day. Fancy poor Mr. Burpee the victim of 80 messages a day?

Hon. Mr. SCOTT—What year was that?

Hon. Mr. MACPHERSON — In 1874-5, the first complete year of this Administration.

Hon. Mr. SCOTT—There was a change of tariff in that year, I suppose.

Hon. Mr. AIKINS—Not in telegraph messages.

Hon. Mr. SCOTT—Yes, the minister takes possession of the telegraph offices during the delivery of his budget speech.

Hon. Mr. MACPHERSON—It only covers one day, and the hon. gentleman would not be receiving any replies during that time; he would simply be despatching them. It is a fearful thing to contemplate, a poor man receiving and despatching seventy to eighty messages a day. I fear hon. gentlemen, the torture of "sitting at receipt of custom" is greater than people in general imagined. The whole amount of telegraphing for the departments in the last year of Sir John Mac-

donald's Administration was \$24,875, but what do you think of the total amount during the first complete year of economy and retrenchment being \$38,507.62?

Hon. Mr. SCOTT—That was in 1874-75?

Hon. Mr. MACPHERSON—Yes; the increase is considerably more than fifty per cent.

Hon. Mr. SCOTT—Give us the years subsequent to that?

Hon. Mr. MACPHERSON — They show a very great reduction. The economists had called the attention of the country and of the Government themselves to their extravagance, and they then began to retrench. It is quite impossible that all this money could have been properly expended in telegraphing. Just see what it amounts to. It is within a fraction of two per cent on the capital of the Montreal Telegraph Company, which is \$2,000,000, so that the Government in 1874-5 paid to that company a sum equal to two per cent upon its whole capital. It was monstrous, and it was after the elections when the hon. gentlemen came back with an enormous majority at their backs, a majority which should have enabled them—and would have enabled them—to carry on the Government of the country prudently, economically, and honestly. It was when they came back with that majority, they considered themselves safe in the saddle, and expecting that the revenue would be increased by the legislation proposed by the Finance Minister, by three millions of dollars, they thought they could do what they liked, they ran riot with the public money. The hon. Secretary of State has asked me what the amount for telegraphing was the following years. It was \$19,429.78 for 1875-6; \$15,149.41 for 1876-7.

Hon. Mr. SCOTT—It was coming down.

Hon. Mr. MACPHERSON — Yes, coming down enormously, showing how culpable the expenditure of 1874-75 had been. I think hon. gentlemen, it would have been a proper thing for the Minister of Justice to have told all the facts to his constituents. Saying what he did was calculated to mislead them. Then with



respect to the management of his department he cut down the contingencies considerably. Whether they can be kept at the figure he put them at remains to be seen. The estimates however point clearly to their advancing again, certainly to the amount of \$5,000. The salaries are also reduced; whether they have been reduced over much to permit the efficient discharge of the duties of the office remains to be seen. But one of the committees of this House—a committee of which I am a member—has had evidence before it that the business of the department has not been conducted with the care and circumspection we have a right to expect. The accounts of the Neebing Hotel were passed through that department without proper audit.

Hon. Mr. SCOTT—The hon. gentleman

is under a misapprehension; it has only the accounts of Mr. Brown to deal with.

Hon. Mr. MACPHERSON—Which ever department it came through, must have conducted its business with great looseness, because the accounts were never examined, and the land on which the hotel stands was paid for twice to the amount of \$500. Parsimony is not required by the country, and the people do not ask that the expenditure be reduced to a point that will not admit of efficient administration. On the contrary they desire to have efficient administration, and are willing to pay proper salaries to efficient men, but they do not want to see the departments and corridors crowded with supernumeraries and inefficient men.



## SPEECH OF THE HON. MR. McLELAN.

He said:—The hon. Senator who has just addressed the House, but who, I regret to see, is not now in his place, in a long, earnest, and able, yet not convincing speech, closed by advising us to keep our discussions within our own province. With a patronizing air, and in paternal tones, he cautioned us to keep within our own sphere. It may be that the customs of legislation and the forms and usages of Parliament have, to a certain extent, limited our direct action on some points, but no man can deny us the right thoroughly to discuss a question so deeply affecting the interests and the prosperity of this Dominion as that which is now before us.

Hon. Gentlemen—Hear, hear.

Hon. Mr. McLELAN—The hon. gentleman spoke of this body in terms which almost called a blush to the faces of the modest gentlemen about me. He spoke of us as being the most aristocratic body in the world. How far we may follow him in that, or how much of it we may regard as mere compliment I will not say, but I do say there is no other body of men, equal in numbers to this, in the Dominion, who have a deeper interest in the prosperity of this country, or who are more closely identified with its progress than the gentlemen whom I see about me. And, when the Public Accounts of this Dominion exhibit a succession of deficits, I do not think we are stepping beyond our Province when we inquire of the Government what means they propose to meet that deficit, to make the income and expenditure harmonize. But the hon. gentleman complains that it is inconvenient for the Government to answer the question. It may be so, but however inconvenient it may be to them, I claim that this House has a right to ask that question, and it is the duty of the Government to give us an answer. The hon. Secretary of State told us that he had no proposition to make—that he was waiting in patience and hope. The hon. Senator from Toronto says the clouds are breaking, and he is looking for the sunrise, and that is all the Government and the Senator who is said to lead and control the Government are doing to meet the deplorable state of affairs that prevails in this Dominion.

Hon. Gentlemen—Hear, hear.

Hon. Mr. McLELAN—The hon. gentleman complained that my hon. friend from Toronto (Mr. Macpherson) had made a great many charges against the Government. "Why," he says, "I have never heard a speech in which there were so many charges brought against a Government." The hon. gentleman surely forgets that we are writing a new page in the history of this country. He forgets that we have now in power a Government composed of men who were never in office, who never governed this country before—he forgets that we never had a Government so open, so amenable to charges, or about which it is impossible to make a speech without it being filled with charges of dereliction of duty, of maladministration and corruption.

Hon. Mr. MACPHERSON—Hear, hear.

Hon. Mr. McLELAN—Therefore, the hon. gentleman should not have been surprised at the number of charges brought against his Government. He says, if the hon. Senator (Mr. Macpherson) had any charges, he should call for a committee and have them investigated, and he blamed the hon. gentleman for having said that it is impossible to get a fair verdict from a committee in the other House. In this he only followed the example set him by the Premier elsewhere, in stating that it was impossible to get a fair verdict from a committee of the Senate. He followed the example set elsewhere in saying that, and I do not see any great harm in it. Two committees are now investigating the course pursued by the Government in certain Public Works connected with the North-West. When they have reported there may be time and opportunity as there is necessity for further inquiry. The hon. Senator from Toronto professes surprise at the action of my hon. friend beside me. He says "Nothing in the administration of public affairs pleases him." Is it a matter of wonder that my hon. friend is displeased? Is it not true that the great mass of the people are in the same frame of mind and that those who are entirely satisfied form the exception? The hon. Senator (Mr. Brown,) has told us that he justified everything that is done by the Government, and therefore, I assume that

he is entirely pleased and satisfied, and I also assume that the thirteen gentlemen sitting on the Treasury benches, themselves, now that Mr. Blake is out of the Government, are all in perfect harmony and satisfied with their administration of public affairs, but outside of those gentlemen, you can almost count upon your fingers the men who share their satisfaction.

Hon. Gentleman—Oh, Oh !

Hon. Mr. McLELAN—You can count Oliver, Brown and Davidson, at Kaministiquia, as satisfied with the manner in which public affairs are administered; you can count Mary Brown, Mrs. Davidson and Alice Leys, all the shareholders of the Neebing Hotel Co., and perhaps you can add a few others as satisfied and delighted. The hon. gentleman himself, having access to the public documents of the country and Orders-in-Council, being behind the scenes, could probably add the names of a few more contented favorites, but outside of those, the great mass of the people of this country are dissatisfied, and are making that dissatisfaction known. Why, we have the whole industries of this country prostrated, the energies of the people paralyzed, and we have here this repeated deficit of nearly \$2,000,000, and yet have no sign of word or deed by the gentlemen who are administering the public affairs of this country, other than to say they are "hoping for better times"—"watching for the breaking of the clouds." Is it any wonder my hon. friend expresses his dissatisfaction, or that the great mass of the people of this country join in that dissatisfaction, and are waiting for the time when they can give it form and force at the polls? The hon. Senator looking across at my hon. friend and shaking his finger, says, "You should have been satisfied with the explanations given by the Finance Minister! You should be satisfied with his answers to your pamphlet." It will be borne in mind that the hon. Senator condemned, in the strongest possible language, the delivery of an argument or the statement of a fact without, at the same time, giving all the attendant and explanatory circumstances, and it will be seen how severely he censures the course taken by the Finance Minister in his summer campaign, and also the course taken by the Senator

from Hamilton, in this debate. When the hon. Senator (Mr. Brown) was denouncing this mode of debate, I felt that he was crushing out the member for Hamilton but when I subsequently heard him coming along the picnic speeches of Mr. Cartwright, I saw that the hon. gentleman was in the position of the man who found his friend drunk and in the gutter, and, unable to lift him out of it, endorsed his action by lying down beside him. The hon. Senator, with all his great powers, unable to raise his friend, lies down beside him, endorses his action, and commends his speeches to my hon. friend. The hon. Senator from Hamilton was good enough to amuse the House last evening with a specimen taken from those speeches. Referring to the charge made and sustained against this Government of having largely increased the public expenditure, he says, "See what the late Government did in seven years. They positively increased the public expenditure from thirteen millions in '67, when they took office, up to twenty-three millions when they went out in '73." This is one of many equally dishonest statements made by the Minister of Finance, and repeated with such unction in this debate. The hon. Senator from Toronto (Mr. Brown) was right in condemning, in scathing terms, a mode of argument and discussion unworthy of the position held by the men who indulge in it. The evident intention is to misrepresent and mislead the public mind by withholding the explanatory circumstances which caused and justified the increase. When we started in 1867, we had but four provinces, or, as the hon. Secretary of State puts it, you were burdened with only two of the smaller provinces.

Hon. Mr. SCOTT—I explained the other day that I was speaking sarcastically when I used the word "burdened," because I have always favoured the confederation of these provinces. I think it is not quite fair after my explanations, made at the time, to put a wrong construction on my words.

Hon. Mr. McLELAN—The Dominion at that time consisted of but four Provinces but in 1873, when the late Government went out of office it contained seven provinces, and a territory larger than the whole of the United States and

therefore, this addition of province after province naturally increased the public expenditure. In 1873, just before the change of Government, last of all Prince Edward Island came in, and the expenditure of that Province was added to that of the Dominion. Here is the simple and natural explanation for much of the increase, which it would have been easy, honest and just for them to have given. But there are other circumstances connected with that. The hon. Senator from Hamilton and the Finance Minister, should have told their audiences that although there was this increase in the public expenditure, the revenue during that period more than kept pace with it.

Hon. Gentlemen—Hear, hear?

Hon.<sup>r</sup> Mr. McLELAN—They should have stated that while the expenses had gone up \$9,830,008, the annual receipts had increased \$10,500,000, leaving a surplus from year to year, amounting in the aggregate to \$12,000,000. They should have accompanied their statement with this explanation, which would have shown a justification for the increase. The hon. Senator who addressed the House this afternoon, admits that there was a deficit against us last year, of nearly \$2,000,000; and this year it amounts to nearly as much, but says no reasonable man should complain of this deficit, under all the circumstances, because there is now, as he claims, a reduction in the expenditure.

Hon. Mr. HOPE—He made no such admission as that.

Hon. Mr. McLELAN—He said no reasonable man could take exception to the deficit when there has been a reduction in the expenditure. Hon. members will remember that all through his speech, especially the latter part of it, he treated the deficit as a mere bagatelle, in comparison with our resources and the undertakings we have on hand. Now, what we claim in connection with this, is that although there may be an apparent reduction in some expenditures of the past year over the previous year, it is not on those services which are the true test of economy, and which would indicate a sincere desire to meet the changed circumstances. Any gentleman will at once see that the expenditure made by the late Government was justifiable, when year after year the

revenue was increasing, when taxation was diminished from 12 to 10 per cent, and when a surplus of over \$12,000,000 was rolled up during the period they were in office, but with the change of Government comes a change of circumstances, that makes their expenditures wholly unjustifiable; a failing revenue, diminished trade, increased taxation, and an annual deficit of nearly \$2,000,000. The hon. gentleman claims credit because the present Government have only increased the debt of the Dominion, as he gives it, \$24,000,000 during the three years they have been in power, and expended nearly \$21,000,000 of that upon public works. Take his own statement, and it shows over three millions of borrowed money used to meet deficits in the working expenses of Government. Contrast this with the result under the late Government. Not only was every dollar of borrowed capital expended on the great public works of the country; the Intercolonial and Canals; but from yearly revenue large sums were expended on public buildings and improvements that might properly have been charged to capital, and after all this, a handsome surplus was left every year which went to reduce the public indebtedness. After the change of Government, when Mr. Cartwright went to London to borrow money, he gathered up these surplus sums and presented them with pardonable pride to the British public in his celebrated prospectus, as the evidence of our prosperous condition. In the one case, you had money left from ordinary revenue to expend on public works, thus preventing the necessity of borrowing and increasing the public debt to that extent; in the other, you have this Administration taking money, borrowed and charged to capital account for public works, and using it to meet their ordinary expenses to the extent of \$3,000,000 to \$4,000,000, as admitted by the hon. Senator from Toronto (Mr. Brown) The hon. Senator charged my hon. friend Mr. Macpherson, with having in his pamphlets made grave misstatements of facts, "such as he had never heard or read before." The hon. Senator should prove the misstatement before he makes the assertion—"misstatement of facts." The hon. gentleman's course of reading must be very limited indeed, so limited as not even to reach that celebrated paper pub-

lished in his own office, and under his own direction. The hon. Senator told my hon. friend, that he had done wrong in not taking the expenditure of 1873-4 as the basis of his comparisons and calculations. He asks, "Will any reasonable man object to doing that?" I tell him, whether I am reasonable or otherwise, I do object. The hon. gentlemen will see, when they look at the months previous to the change of Government and the months succeeding, that the present Administration were in office two-thirds of the time, and controlled the expenditure during the eight months of the year. Any gentleman who is familiar with the administration of public affairs in this country knows, that the Government can increase, diminish, or withhold expenditure just as they may direct; but it is not that which is my strongest objection to taking the expenditure of 1873-4 as the basis of comparison. It is that the present Government prepared the Public Accounts of that year, and it is their statement we have to deal with, not the Accounts as they should have been prepared, to do justice to the late Administration.

Hon. Gentlemen—Hear, hear.

Hon. Mr. McLELAN—If the accounts had been prepared or overlooked by the late Government and made just to them and their successors, then I do not know any objection there would be to taking them as the basis of comparison.

Hon. Mr. POWER—I would ask the hon. gentleman if the Public Accounts are prepared by the Government or by the officers of the Department under them? I was not aware that the Government prepared the Public Accounts.

Hon. Mr. McLELAN—We do not find that this Government burden themselves with much beyond mere account keeping. At all events, they are responsible for the accounts, and they direct their officers as to what manner they

shall be prepared. It is true the officers attend to the mechanical part of the work, but no account is submitted to Parliament that has not been made to meet the approval of the members of Government, and it is therefore, as I stated, that the accounts for 1873-4 are the work of the present Administration, and their great anxiety to take them as the basis of comparison only too plainly shows that they have been specially prepared for this end. Hon. gentlemen understand how easily the Government, having in hand the preparation of the year's accounts, can transfer a charge from one heading to another, or charge against revenue an expenditure belonging to capital. Not only has this been done in the accounts of 1873-4, but there are in them large exceptional charges which must be deducted before anything approaching a just comparison can be made. Now, the accounts for 1873-4 show an expenditure, charged against ordinary revenue, of \$23,316,316, and to make up this sum they include an item voted from capital account, and in years previous, and in the year since, charged against capital, being for new rolling stock and snow sheds on the Intercolonial, amounting to \$545,625. Add to this the cost of the elections ordered by the present Government in the winter of 1874, \$106,178. Then there is the sum which they returned their good friends of the Great Western Railway, \$69,330. There was also an exceptional expenditure in that year, for military stores, of \$144,906, and the work on the Dawson Route was also completed that year, the expenditure being \$407,868. There are other exceptional charges in that year, but which, to make the comparison just, may be left to balance exceptional charges in the following years. Deducting these sums I have named, the accounts of 1874 for comparison will stand thus:

|                                         |           |              |
|-----------------------------------------|-----------|--------------|
| Gross amount.....                       |           | \$23,316,316 |
| Deduct Intercolonial Rolling Stock..... | \$545,625 |              |
| Cost of Elections.....                  | 106,178   |              |
| Duties returned Great Western.....      | 69,330    |              |
| Military Stores.....                    | 144,906   |              |
| Dawson Route.....                       | 407,868   |              |
|                                         |           | \$1,273,907  |
| Leaving for comparison.....             |           | \$22,042,409 |

This is somewhat nearer the true basis for a comparison between the expenditure of that and succeeding years. Starting on this, you find the actual increase in 1874-5 over 1873-4 was \$1,670,662; and in 1875-6 another increase of \$2,450,968; so that when you have reduced the expenditure of 1878-4 to something near what is the proper basis for comparison, you find there has been an alarming increase in the expenditure of succeeding years. It was rather amusing to see the pains which the hon. Secretary of State and the hon. Mr. Brown took to justify the expenditure of 1873-4, and to make the gross sum the proper basis for comparison, and they seemed perfectly delighted when they had, according to their own minds, succeeded. Proceeding on that basis, the hon. gentleman went on to make comparisons in detail, and to tell the House whenever there happened to be an increase in any item, that it was perfectly reasonable and just, and called for by the necessities of the country. When the hon. Secretary of State and the hon. Senator from Toronto (Mr. Brown) take this ground, they seem to forget the position in which it lands them. They seem to forget that ever since the hour when these Provinces were united under Confederation, they declared on the floors of Parliament, and on public platforms, and in their press, that the men who were then administering the affairs of the country, were day by day practicing the grossest extravagance, extravagance amounting to corruption, and that it was their object and would be their duty when obtaining power, not to go on the same scale of extravagance; that their policy was to largely curtail the expenditures of this country within, as they said, reasonable limits. The hon. Senator from Lunenburg read to the House last night, the platform that they laid down: they were "to reduce the annual lavish expenditure, and enforce strict economy in every branch of the public service." Those gentlemen came into power with an overwhelming majority, pledged to the teeth to reduce the expenditures of this country, not to continue them on the same basis. Yet, here to-day, we have the hon. Senator from Toronto (Mr. Brown,) and the hon. Secretary of State yesterday, hour after hour defending, in fact, that expenditure, justifying it, and taking it

as the basis—as the justification—of their own increased expenditure. We claim that that expenditure in the main was justified by an overflowing treasury, while the expenditure of this Government, not only in view of the pledges they had given to the country, but in the changed condition of the revenue, were entirely unwarrantable. In seeking to justify their own expenditure, these gentlemen entirely overlook the position in which they stood before the country by their charges of extravagance against the late Government, and their past pledges and promises to reduce the amount. The hon. Secretary of State, as well as the hon. Senator from Toronto (Mr. Brown), claimed our sympathy for the present Government, because, as they held, they were loaded down with obligations that were placed upon them by the late Administration. In one breath, you had the hon. Senator from Toronto deploring this, and in the next breath you had him forgetting all, and striking down the position which he and his Secretary of State had taken; telling us that our duty is to build up the Dominion and make of it a great and prosperous empire; that the great public works, railways, and canals, must be carried on to completion, that our resources may be developed and the object in view attained, and therefore that the expenditures cannot be curtailed. The hon. Senator in this, justifies the late Government for all those undertakings which the Secretary of State, and he himself earlier in his speech, had censured so severely. It is admitted on all hands, that there are certain undertakings that are essential to the wants of the people; certain undertakings that are necessary under the terms of Confederation itself, to the union of our people and the development of our vast resources. There is the construction of the Inter-colonial Railway, and the enlargement of our canals on which there has been large expenditures, and on which large expenditures are yet required, and should be made as soon as the circumstances of the country warrant. No man will claim that the late Government are any more responsible for expenditures upon such works as those than the gentlemen opposite. Now apart from those, let us see what obligations were laid upon the present Government by their predecessors, and how far those obligations hampered their policy. It is true that the old



Government had constructed a large number of public works, post offices, customs houses, piers, and various other works all over the Dominion, and had inaugurated others, but they were constructed not out of capital account, as they might very justly have been, but out of revenue and still leaving surpluses every year; some of those works were in an unfinished state when the new Government came into office. In 1874 the Finance Minister brought down an estimate to continue those works, and having made out that year's appropriation, he gave an estimate of what would be required to complete them. I ask the hon. Senator from Hamilton, and the Secretary of State to turn up that estimate submitted by their own Finance Minister, for the sums that would be required to complete those works after the vote of that year, and what will they find? Hon. gentlemen will be surprised to see how very small it is. I am speaking outside of the Intercolonial Railway, the canals and other great works, entered upon under the terms of Confederation inseparable from Union, and assented to by both parties. There were required the following sums:—

|                                    |           |
|------------------------------------|-----------|
| Customs House, Toronto.....        | \$ 40,000 |
| Examining warehouse.....           | 115,000   |
| St. John Post Office.....          | 43,000    |
| Ottawa Post Office.....            | 30,000    |
| Manitoba Penitentiary.....         | 121,000   |
| British Columbia Penitentiary..... | 129,000   |
| Harbors and Piers.....             | 161,000   |

\$639,000

Making a total of \$639,000 to complete all those buildings that the late Government had undertaken to construct out of revenue, and which were in an unfinished state in 1875. The Finance Minister, in his Budget Speech of 1875, set the matter at rest when he said (see page 168, *Hansard* of 1875.)

"I think we may fairly congratulate ourselves that our financial condition has materially improved since last year. All immediate demands met. No pressing claims except those for public works, for at least a year or two. Have completed the Intercolonial and P. E. Island Railways. We have a reasonable surplus, and are, therefore, free to turn our attention and energies to enlarging and improving canals and the Pacific Railway."

Now, hon. gentlemen will see that even the Finance Minister himself contradicts the position taken by these hon. gentle-

men (Mr. Scott and Mr. Brown) when they say that this Government were loaded down by the obligations left to them by their predecessors. The figures I have shown prove that those obligations were comparatively light, and the hon. Finance Minister himself said that everything was paid, and that we were free from embarrassment. The hon. Secretary of State, I fancy, rather surprised the House when he attempted to account for the enormous increase in the Customs expenses, by stating that it was owing to reforms introduced into that service. The country will be slow to appreciate reforms that lead to such an alarming increase of cost and diminution of revenue, and think the fewer we have of them the better. The hon. gentleman claims that the cost of penitentiaries had not kept pace with the increase of inmates. This is only an inevitable result under any management, as all the main expenses of the institutions are stationary, no matter what the number of prisoners. It is true that since 1874 the number has gone up from 1,000 to 1,500, and without an increase of cost in proportion. But when we turn to the other side of the account, we see that the receipts have not been increased, and therefore we are led to the conclusion that a part of the receipts is taken to meet the daily expenditures, and in this manner the apparent cost has been kept down. I am strengthened in this conclusion by the evident attempt that is apparent in the Public Accounts to mislead and mystify in regard to the cost of many of the services. In the matter of telegrams, which has been so much dwelt upon by both hon. gentlemen, and a saving claimed, we have the greatest difficulty in making a comparison. The expenditure of each department, instead of appearing as usual in one sum in the contingencies of that department, has been reduced by charges scattered all through the various services. The hon. Senator, (Mr. Brown) was to-day unsparing in his praise of the Finance Minister, and I doubt not but whilst his words were ringing in our ears, many hon. gentlemen around me were recalling in strange contrast the sweeping denunciations hurled at Mr. Cartwright, a few years ago by the hon. Senator in his newspaper. Then, he was characterized as "a mere mixer and muddler of figures." If hon. gentlemen will

take the Public Accounts to day as they stand they will find that charges are strangely mixed—mixed with the intention of muddling, or, if not with that intention, certainly with that effect. It will be remembered that when the hon. Secretary of State claimed that the cost of telegraphing had been reduced, and cited as proof the sums under the head of contingencies to each department, he was told that the reduction was in part due to the increased facilities for rapid communication, and to a reduction in the rates for messages; but the hon. gentleman would not admit such an explanation. He told us that the telegraphing in connection with the North-West, was enormously high—17 cents per word—besides the cost of special messengers to the various stations. The language and manner of the hon. gentleman, evidently conveyed to the House, that all the cost of this was included in the sum which he was comparing with the cost under the late Government, and creating the impression that in telegrams this Government is more economical than its predecessor. But how does the matter stand? If hon. gentlemen will take up the accounts connected with the service of which the hon. gentleman was speaking, the North-West, they will find under that head enormous sums for telegrams scattered all through the branches of the service. I have not had time to go through more than two or three years, but I find in one account, "paid the Secretary of State for telegrams, \$548.00," and again, "paid the Department of Justice for telegrams, \$1,040," in another account, \$1,589, and so on, all through. In the accounts laid before us this year, there are over \$3,000 charged amongst the various services of the North-West, and which the language of the Secretary of State would lead us to think he included in the sums he compares with his predecessors. And it is only by taking part of the cost of telegraphing from the accounts of the Department of Justice and the Secretary of State, and scattering it through different headings, that the hon. Mr. Blake, at Teeswater, can boast of the small comparative amount that appears under the proper head of contingencies of his own office, and the hon. Secretary of State can re-echo the boast here. It matters little to the country where the charges are

placed, the result is the same, the expenditure was made, the money is gone, and the people foot the bills. And that is what my hon. friend (Mr. Macpherson) complains of, not because a particular service is increased, and another apparently reduced, which can easily be done by transferring a charge from one head to another, but that the aggregate is increased; that the result of the year's operations is largely to increase the controllable expenditures. This attempt to hide away expenditures, and to mix accounts, is by no means confined to telegrams. Take another case, the steel rails, and perhaps the House will expect me to apologize for naming again "steel rails" but we have the rails, to our misfortune, and we have annually charges connected with them. Turning to the accounts of the past two years, we find under the head of "Pacific Survey" \$6,700, for storage of rails in British Columbia. By what right is the rent of a small patch of ground on which the rails are piled charged to surveying? Have they an engineer marching about the piles measuring and calculating how much and how rapidly they are diminishing by corrosion? Then, again you have another charge connected with the steel rails, an amount of \$1,000, paid for insurance average to one of the ships that carried the rails, charged to survey account, whilst the money received from the insurance company to meet this charge is credited to steel rails, as if the Government felt the rails were such a burthen to them, that every cent by which they could possibly reduce the apparent expenditure should be resorted to, in order to deceive the country, no matter where the items were charged. But the hon. Secretary of State grows very indignant when it is even hinted that any member of his Government ever attempts to mislead the public mind. My hon. friend (Mr. Macpherson) had occasion in his address, to point out to the House that the Member for Bruce when Minister of Justice, and addressing his constituents, in a comparison he made of the cost of the department under his predecessor with it under himself, had omitted the expenses as Premier. The hon. Secretary of State professes amazement at the imputation that the intelligent men of Bruce can be misled, or that the late member of his Government could stoop to mislead an audience. Why, hon. gentlemen,

had the speech delivered by the Senator from Hamilton last night been delivered before the men of Bruce, intelligent as they are, they would for a time at least have been misled. Had the bold fact been given in the manner it was given to us, that the late Government from 1867 to 1873 increased the public expenditure nine millions, the impression would have been created that they were guilty of great extravagance. Let me name another case in point during the past season. We had, in Nova Scotia, a visit from the Premier, and I had the pleasure, and a great pleasure it was, of listening to him addressing a group of the electors of my own county. The hon. Premier, in his efforts to show how very economical the present Government are, how much better they administer the affairs of the country than their predecessors made a comparison between the Intercolonial Railway and the Pacific. He told the electors of that county that he was building 228 miles of the Pacific Railway—had it under contract—and he would have it completed for a cost per mile of less than half what the Intercolonial Railway had cost the country. The words used, the tone and manner of delivery were such as to leave the impression upon every man present, who did not know the difference in the construction of the two roads, that they were equally good, equally well built—should be of an equal cost—and that the late Government and the commissioners acting under them had been guilty of the grossest extravagance in the construction of the Intercolonial. Being called upon by that audience, I felt it a duty to myself and those with whom I had acted in the construction of the Intercolonial, to correct the Premier. I felt it my duty to point out the great difference in the character, and necessarily in the cost, of the two roads. That the Intercolonial is the best road on the continent of America, as was confirmed by an eminent engineer a few days ago, when giving evidence under oath in another room whilst the road, he (Mr. Mackenzie) was constructing was a mere log and timber affair—timber trestles in place of solid embankment, and log piers, abutments and culverts, in place of solid masonry; in fact, as the same engineer to whom I have referred says, only a preliminary construction for a railway.

With this case under my own observation and knowing how completely for a time, until the explanation was made, the men of Colchester had been misled by the hon. Premier, I can readily believe that the utterance of the member for South Bruce left on the mind of his audience a false impression. The hon. Senator (Mr. Macpherson) calls our attention to the Suspense Account of \$343,591 for railway renewals on the Intercolonial. The position taken by my hon. friend was that this sum which we are told has been expended in renewals upon the railway and paid, should have been charged in this year's accounts, and would thereby show the true deficit to be nearly two millions of dollars. The hon. Senator who has just addressed us contends that this sum, although expended, and although the service was paid for, should not be charged against renewals in the year's accounts. The hon. gentleman is perhaps not aware of the position taken by the members of his own Government in respect to all renewals on railways. The hon. the Premier and the Finance Minister have both, in the clearest and most emphatic terms, affirmed that the relaying of the track with steel rails is a proper charge against revenue, and is so to be made. So late as the 25th of last April the Premier used these words, as reported on page 1881 of *Hansard* :—

"The renewals on the road (Intercolonial) were paid out of its revenue and charged to income. The relaying of steel rails was charged to income and taken out of the annual vote."

This, it will be seen, was in conformity to the principle avowed by the Finance Minister in his Budget Speech of 1876, as reported on page 243 :—

"With respect to the operation going on of substituting steel for iron rails, it is an item I think which is properly chargeable to income, and is intended to be. I am somewhat particular in making this statement, because, as the House knows, we feel it incumbent upon us; we are compelled to keep both capital and ordinary account, that we should be very scrupulous as to what we allowed to go to that capital account."

Hon. gentlemen will see by these extracts that the principle and practice contended for by my hon. friend has been admitted by the leader of the Government and his Finance Minister, but has not been carried out; and we are justified by their own words in adding this suspense

amount to the year's expenditure and to the amount of deficit. The hon. member from Toronto (Mr. Brown) contends that it would be unfair to the road to make the whole charge in one year. If he had said it was unjust to the officer in charge of that road, I could understand him, because it is undeniable that Mr. Brydges has been compelled to make an expenditure upon the road which his own judgment had pronounced uncalled for.

Hon. Gentlemen—Hear, hear.

Hon. Mr. McLELAN—The House will remember in 1874, Mr. Brydges was sent down to examine the condition of that road and report upon it—that was before the Government had purchased this 50,000 tons of steel rails for which they had no use—and what did he report? I will quote from it:—

"Having carefully gone over the whole system, and discussed the matter thoroughly with the engineer and roadmasters, I am of opinion that it will require not less than twenty miles of steel rails per annum, to be used for re-laying the tracks, which will take the entire quantity of iron rails out, in rather more than eight years. Twenty miles, I am sure, will do for the next three or four years, but if the old rails should wear badly, or the traffic be heavier than I at present anticipate, it may be possible that after three or four years the quantity may require to be somewhat increased."

Here we have Mr. Brydges, after careful examination with the officers of the road, reporting that the work should be gradually done, as required, in a period of eight years; but the Government step in and compel him to hide away a part of their dead stock, by doing in one or two years, what was declared only necessary to be done in eight. Hon. gentlemen will therefore see, that although the position taken by my hon. friend (Mr. Macpherson) that the rails having been laid, the expense incurred, and the money paid, the amount should be charged in the year's accounts, is entirely correct, and that the true deficit for the year is increased by this sum of \$343,591, making it nearly two millions, yet, it does place the officer who has that road in charge, and who is no doubt anxious that it should be worked as cheaply as possible, in an unfair position. The Government have interfered with him in his duty, and have forced him to expend an amount that, in the opinion of himself and his en-

gineer, was wholly uncalled for. The hon. Senator comes to this conclusion himself when he says, that "if they had had the rails on hand—if they had not been called on to pay cash for them—they would not have put so many into the Intercolonial." The hon. Senator with admirable frankness exposes the transaction. The Government had rushed thoughtlessly—madly into the purchase of 50,000 tons of steel rails for which they had no use—they had paid millions of the people's cash away for piles of rails that were being eaten out by interest and corrosion, and they must at any sacrifice get them hidden away—"Anywhere, anywhere, let them be hurled," if not out of the world, at least off the record—and so Mr. Brydges is made the scape-goat and forced to bear away a quantity of them, which his own long experience and great ability, sustained by the deliberate opinion, after careful examination, of his engineer, declared unnecessary. But, hon. gentlemen, judging by the result in the working of that road, it is not alone in the matter of rails that the Government have interfered and made it a political machine. It will be remembered that Mr. Brydges in his report on the condition of that road in June, 1874, before taking charge of it, said that "taking the average of five years previous, that the roads had about paid working expenses," and that with certain reforms, reductions of salaries and severance from politics it could be run free of expense to the country.

Hon. Mr. POWER—How much of the road was open then?

Hon. Mr. McLELAN—He took into account the opening of the road as far as Newcastle, and we have seen, it is stated in this year's report that the opening of the whole has given a larger amount of through traffic than was anticipated. But never before, in the history of the railway, has there been a worse exhibit than in this year's report, due, as must be admitted, to Government interference. The manager proposed a gradual renewal of rails as the wants of the road required, extending over at least eight years, but the Government interfere, break up his system, and compel him to hide away 11,000 tons of their mad purchase. The manager proposed a reduction of salaries and the number of officials, to the extent

of about \$17,000 a year, and as soon as he was placed in charge, proceeded to carry this out. But here again there must have been coercion on the part of the Government, to give places to favorites, for the number of officials apart from the new stations, have been largely increased, swelling the salaries, exclusive of stations, over \$40,000 above what they were in 1874, to say nothing of the reduction which the manager in his report proposed. There has therefore been a great injustice done to him, and the country has suffered a large loss by this interference. The hon. Senator (Mr. Brown) I fancy, startled the House by the announcement, with the audacious challenge that he threw out, that "not a single instance of culpable neglect or of thoughtless waste of public money could be brought to the charge of the present Government." Notwithstanding all the utterances from picnic platforms, all that has been written in the press, or that we have heard elsewhere, I am sure hon. members were hardly prepared for so rash a challenge—"not a single instance of thoughtless waste of public money, or culpable neglect!" While the words were yet on the hon. member's lips, I heard on all sides of me "steel rails." Need I ask if there was sufficient care and thought in this expenditure? An expenditure which their own officer—the ablest man in their employ—had pronounced in advance, such as "no prudent man would make." An expenditure which, in interest and charges, has rolled up to over four millions of the people's money, helping to swell taxes and deficits. An expenditure marvellous in its absurdity and folly, when we consider that a single mile of road was not then located, nor did the Government scheme, as now declared by the Secretary of State and other members of the Government, contemplate the construction, by Government, of as much road as the 50,000 tons would lay—sufficient for 550 miles, whilst the policy of the Government is to stop with 228 miles now under contract, and the Pembina branch 80 miles, and to seek a company to build the rest. Is there no charge of "thoughtless waste of public money" in rushing blindly into a purchase which was unnecessary and uncalled for, and which, under their policy, never can be used? Does the hon. gen-

tleman want other instances of culpable neglect or thoughtless waste of money? When the Government were about to select a terminus for the Pacific Railway away in the wilderness where there were millions of acres of land, the best of which had never cost higher to private individuals than four dollars a lot, was it not culpable neglect on their part not to secure that land when it could be bought for a mere trifle? What was the result of that neglect? In 1874, after they had selected the terminus, their engineer, Mr. Fleming, makes a plan of the land required and of a wharf to be constructed. They built that wharf and proceeded with the construction of the road; all the while looking on at rings of speculators and jobbers working up the price of the very land marked off by their engineer. They stood idly by whilst these speculators planted a huge shanty, named the Neebing Hotel, directly in front of that wharf, to be bought out at fabulous prices. For years they looked on and then paid \$67,000 for the terminus of the road running, as Mr. Mackenzie described it, "through a wilderness never before trod by the foot of white man," even now we do not know that we have the full cost given. The hon. gentleman from Toronto, Mr. Brown, makes it a serious charge against my hon. friend (Mr. Macpherson,) that he should have even hinted that there was any withholding of the public accounts. Last Session this House asked for all the expenditures on this purchase, and the papers brought down showed an amount of \$51,000. The House was led, to believe, that it was not possible that there would be any further expenditure there, and hon. gentlemen thought we knew the worst of it. But we find an expenditure of \$16,000 had been kept back, and in this Session the sum has been rolled up to \$67,000 for this piece of wilderness. The Government felt that the country could not stand \$67,000; it was too large a dose to give at once, and was "divided" but I hope we have now reached the full measure of the infliction.

Hon. Mr. AIKINS—We have not. They will have to get more land.

Hon. Mr. McLELAN—If this land, by two years neglect went up from two

dollars to a thousand an acre, what will the addition be in another year? But the hon. Senator can see no culpable neglect or thoughtless waste. The hon. Secretary of State should have checked him, and should have told him that last night he (Mr. Scott) had confessed, on the floor of this House, to a thoughtless waste of the public money in the construction of the Fort Pelly Buildings.

Hon. Mr. SCOTT—No, I did not.

Hon. Mr. McLELAN—I know the hon. gentleman did not use just these words, but you should have told the hon. Senator (Mr. Brown) that it was a thoughtless waste, because the buildings on which the Government have expended \$63,000, he tells us, were in the wrong place, and others have been erected.

Hon. Mr. MACPHERSON — Fort Francis Lock?

Hon. Mr. McLELAN—My hon. friend from Toronto (Mr. Brown) has a wonderfully short memory. He forgets the Georgian Bay Branch. Was there any evidence of careful thought in the giving of the contract for the construction of a railway that would cost millions of dollars through an unexplored country, a road that the Government did not know they really wanted, and which resulted in a thoughtless, wasteful expenditure of over \$100,000?

Hon. Mr. SCOTT—Only \$40,000. You are counting the advance on the rails.

Hon. Mr. McLELAN—Yes, taking the whole, it runs over \$109,000. In connection with these worthless rails was there not another "neglect of public duty"? A gentleman constructing a railway in that vicinity brings in a quantity of rails in the fall, dumps them down at a certain point, tells the Government that they are intended for their road, and that he wants the money on them. The Government pay him over the cash. In the spring, when he wants rails to lay on his own road, he goes to the Government and borrows a hundred tons of those same rails, and when the matter comes to be looked into they find that 227 tons have been taken. Is there no "neglect of public duty" in this? The hon. Senator knows also that a Committee of this House is now investigating into the construction of

the Fort Francis Lock, in which there is the plainest possible evidence—in which there is an admission from the hon. gentleman himself—that it was a blunder; "a thoughtless waste of public money." The Government adopted their famous "water-stretch" policy, and determined to run a link to Sturgeon Falls. To make the water-stretch from Sturgeon Falls, they decided that a lock was necessary at Fort Francis, and before ascertaining that a road was possible to the Falls, they rushed into the construction of a lock involving the expenditure of nearly half a million dollars.

Hon. Mr. SCOTT—No.

Hon. Mr. McLELAN—With the river improvements adjoining, it will reach nearly that. But what has been the result; nearly two years were spent in trying to reach Sturgeon Falls, and the attempt was finally abandoned, and the road carried away north of them, rendering the expenditure at St. Francis an absolute waste of money. I shall not further weary the House with the long and painful record which the gentlemen who so misgovern this country have in a few short years made, but I ask the House if, in the cases which I have named, it is not plain and patent upon the face of them that there has been, as the hon. member put it, "a culpable neglect of public duty and a thoughtless waste of the public funds of this country." But the hon. gentleman from Toronto (Mr. Brown) tells us of the great pressure that has been brought to bear upon the members of this Government—of the pressing claims coming from the north, east, and west; from all points of the Dominion; and he, being familiar with the offices, knows something of the force of this pressure. I wonder if the hon. gentleman was in the office of the Premier when the returns for the Kaminitiquia job, and the figures that it was proposed to pay for this land in the wilderness, were under discussion. I should like that the hon. gentleman could give us his description of the manner in which that report was received by the Minister of Public Works, and of the pressure which made him assent to it. I can fancy it, but I know the hon. gentleman could do better justice to so interesting a scene. But the hon. member paid a poor com-



pliment to the members of Parliament who support the Government, when he represents them as men pressing determinedly, no matter whether their claims are just or otherwise, to have public grants made to them.

Hon. Mr. POWER—The hon. gentleman did not say that. He did not say they were pressing claims or otherwise. He said "good claims."

Hon. Mr. McLELAN—Well, if good claims, if just claims, where the merit of resisting then? It was anything but complimentary to the supporters of the Government the way in which he put it, giving us the impression that it was only by the iron firmness of the Government themselves that they were able to fight all these demands and keep the treasury from being depleted by their clamorous supporters.

Hon. Mr. CAMPBELL—Such as Ferrie—"More rails."

Hon. Mr. McLELAN—The hon. gentleman from Toronto (Mr. Brown) referred to the deficit, and following the example of the hon. the Secretary of State, went back to 1858. The House must have been amused. What have we to do with matters connected with 1858? What has this Senate or this country now to do with the action of old governments long before the Provinces were confederated? When the hon. gentleman spoke of this deficit and attempted to justify it by going back to that period when there were deficits, it must have crossed the mind of every hon. member here that he, of all men, was not justified in taking such a course. We have merely to look at the present, certainly not go back beyond the date of Confederation; but these hon. gentlemen have no right to go back to that date. The hon. gentlemen opposite are, surely, not the men to attempt to justify themselves by quoting the action of the late Government. Why, their whole course when in Opposition was laying down pledges and promises that they would not act as the gentlemen who were then governing the country were doing, but they would reform, they would reduce the public expenditure and be more economical. But what do we now find? We find that whenever they are charged with any misconduct, they, on all occasions go back to see what mistakes they can find of the

late Government. But the Secretary of State and the hon. Senator exceeded anything we have ever had from them before. They went back to 1858 and 1860 and compared the deficits of that period with the present. I tell the hon. gentlemen neither they nor any member of their Government or party should attempt to justify their action by a comparison with their predecessors before or since Confederation. We all remember the cry with which they sought power. It was not "we will do equally well with you" but "we will do better than you." It was "stand aside I am holier than thou." To-day when four years of their record are examined their tone is changed; their cry is "don't push us aside, we are no worse than others." Of this, let the intelligence of the country answer at the polls. The hon. Secretary of State in speaking of the past uses the expression "before we were burdened by the smaller Provinces."

Hon. Mr. SCOTT—No, No.

Hon. Mr. McLELAN—It may have been with him an accidental utterance, slip of the tongue.

Hon. Mr. SCOTT—The hon. gentleman was present, I believe, when I made that statement. I said I was speaking sarcastically of some gentleman who made that statement, and that I never shared in that sentiment myself; I said I was speaking sarcastically.

Hon. Mr. McLELAN—I was proceeding to say, that I supposed the hon. gentleman had made a mistake, or in some way the expression had fallen from him unintentionally as we have had no marked evidence of his hostility to the smaller provinces. But we know, hon. gentlemen, the position taken by almost every man who is now in the Government, and who previous to coming into power was hostile to these smaller provinces; we know that when the terms of admission of every province that has been added to this Confederation were under discussion, the hon. gentleman's Government opposed those terms. What did we find in 1869, when the modification of the terms to Nova Scotia was under discussion? We found every member of this Government—every one who was then in Parliament, and who is now a member of it, Mr. Cartwright excepted, in deadly hostility to that modification. It was carried in spite of all their attempts

to defeat it, carried too by the help of Mr. Cartwright, who now under other influences and a member of another Government, is most outspoken in condemning the terms granted to the smaller Provinces. How do we find him last summer speaking of the admission of Prince Edward Island, the gem of the whole Confederation?

Prince Edward Island Members—Hear, hear.

Hon. Mr. McLELAN—We find him claiming credit for the opposition which he and his colleagues gave to the terms, characterizing the liberality of the late Government as gross folly, from which we are now suffering in our deficits. On the 2nd of July, last at Newmarket, he used this language, "And had our words been listened to when pressed on Parliament in 1873, at the time of the assumption of the Provincial debt, and of the admission of Prince Edward Island, one costing \$850,000 and the other \$500,000 per year, there would have been no fear of a deficit to-day. The time for interference was in 1873, when the debt was assumed and Prince Edward Island admitted. But, the Government of that day refused to listen to our advice, and we must bear the consequences of their folly." Here we have a plain and unmistakable expression of the sentiments the Government entertain towards the smaller Provinces. The admission of Prince Edward Island on such terms as these enable that Province to meet its local wants is characterized, as "an act of folly from which we are suffering." But the Secretary of State said, and the member for Toronto (Mr. Brown), repeated it, that we are in a flourishing condition, that all our calls have been met, and that the public credit has never suffered for an hour. The hon. member from Toronto says, every penny has been met. It is true, hon. gentlemen, but from his own admission to-day over three and a half millions of dollars, nearly four millions, have been met out of capital. That is, they are using borrowed money for which our bonds were given in the London market to the extent of four millions of dollars in paying the ordinary working expenses of the country.

Hon. Mr. MACPHERSON—Hear, hear.

Hon. Mr. McLELAN—I ask the House seriously if this is a matter for the

hon. gentleman's congratulation. Our necessities have, it is true, all been met, but a large amount has been taken from money borrowed for the construction of important public works. And then they tell us our credit was never better, and cite as evidence the loans placed on the London market by Mr. Cartwright. The hon. gentlemen both seem to overlook the fact that Mr. Cartwright, for his first loan, rested his case wholly on the admirable position in which the late Government left the finances. In the prospectus which he issued he showed the annual increase of revenue, the expenditure from revenue on public works, and the magnificent surplus each year.

Hon. Mr. POWER—The hon. gentleman, I think, has misapprehended what the hon. gentleman who sat in front of me, said. I think he stated \$21,000,000 expended by the present Government, was on works undertaken, or provided for by the former Government, in 1874. I don't think he said the remaining three millions were spent in the way the hon. gentleman says.

Hon. Mr. McLELAN—The hon. gentleman will find this to be the fact, that of the money borrowed, and by which the public debt has been increased, nearly four millions have been used in paying ordinary expenses.

Hon. Mr. POWER—The report which came down to the House of Commons shows the total amount expended on public works to be, \$28,447,188. If the hon. gentleman says that there is three millions expended in the way he says he must show his authority.

Hon. Mr. McLELAN—The hon. gentleman ought to know that last year we had a deficit of nearly two millions of dollars, and that this year we have what they admit to be a million and a half dollars, and of course borrowed money was used to pay it.

Hon. Mr. HOPE—Last year it was \$600,000.

Hon. Mr. McLELAN—I refer the hon. gentleman to Mr. Cartwright for better information. But I was speaking of the assertion of the hon. gentlemen who have spoken of the credit of the country on the London market, and I have said that the hon. Finance Minister, on his

first visit, rested the case entirely on the prosperous exhibit left by the late Government. He went back in 1876, after he had been three years manager, and he evidently mistrusted and undervalued our position. At all events, for some reason he did not test our credit by open competition in the market. The hon. gentleman named his own price and one so low that there could be no question of the bonds being taken. He said to the capitalists of London, here are the bonds of the Dominion of Canada, for each of which we pledge the people of Canada to pay one hundred pounds when due, with four per cent. interest half-yearly, for which bonds I want ninety-one pounds each, less a half-year's interest, leaving less than ninety pounds received for every one hundred pound bond. The money was at once furnished; the bonds were immediately taken, and, as we are informed, mainly by the people who, advised him to make this offer. Let me for a moment turn the attention of the House to what took place shortly after this. The hon. gentleman (Mr. Brown) commended the Finance Minister not only for what he did, but also for the time at which he did it, "that he borrowed the money before it was really needed, but he was fortunate, inasmuch as the cash value of four per cent. bonds declined in the London market." But this only places his Finance Minister in a worse position when we look at what other colonies sold their bonds at, even with the decline in price to which the hon. gentleman (Mr. Brown) refers. The little colony of South Australia wanted to borrow £500,000, or, in round numbers, two and a half million dollars. Her Finance Minister placed the rate of interest on her bonds the same as ours, four per cent., and then asked the money lenders to name, by tender, the price they would give for each bond of one hundred pounds, and the quantity they would take. And I ask the House for a moment to contrast the result in the two cases. South Australia is a young colony, only forty-two years old. In 1871 the census gave the population at 185,626. In 1876 the estimated number was 218,060. The result of their loan is given in the London press of February, 17th, 1877, as follows:

"The tenders for the South Australian

"Government four per cent loan for £500,000 sterling were opened at the National Bank of Australia, London, on the 13th. There were 209 tenders, amounting to £2,967,800, at prices ranging from £96 10s to £100. The average price for the £500,000 allotted is £97 10s. to £100. Tenders at £97 9s. and above, amounting to £483,500 are allotted in full, while those at £97 8s. 6d. will receive about 53 per cent of the amount applied for."

Here we find this young South Australian colony testing their credit and asking the money lenders "how many pounds will you give us for our bonds at four per cent?" and they were offered very nearly six times the amount required at £97 8s 6d, and to £100. But the Finance Minister of Canada, representing not a small colony, but a country more than one-half of the continent of North America, with a population of 4,000,000 of people and with a revenue that from the Confederation down to the time he assumed the management of it, had been increasing and giving annual surpluses, went into the London market, and instead of asking "How much will you give for our bonds at 4 per cent?" he fixed the price, at a loss of from eight to nine pounds on every hundred pounds, below the tender sale of the Australian loan, and asked the capitalists if they would take our bonds on those terms. As a matter of course they were readily taken, but we received nearly a million dollars less than if he had sold in the same manner and at the same rate as South Australia. Our liability or indebtedness for this loan, and on which we pay interest, is \$12,166,666, whilst the actual cash received for it was:

|                               |              |
|-------------------------------|--------------|
|                               | \$10,997,865 |
| Less half year's interest.... | 243,333      |
| 14 Commission and charges     |              |
| on \$12,166,666.....          | 191,430      |
|                               | 434,763      |

Leaving net cash paid over, say.. \$10,563,100

The Finance Minister, in last year's Budget speech, told us that one per cent commission was paid, but we find it to be one and a quarter, and that not on the cash realized but on the gross sum, or in other words, we paid nearly \$20,000 commission and charges on cash that was never received. The discounts on the several loans effected by this Government amount to a total sum of \$3,862,069. The hon. Secretary of State boasts of the reduction in the average rate of the interest on our whole indebtedness, but he should bear in mind always, that

we are paying interest on larger debt than the money received; as shown by the above discount on the last loans—so that the actual rate of interest on money received is greater than he quotes from the blue books. The hon. gentleman however should know that the reduction in the rate is not due to any superior management on the part of his Government. We all know that the old debts with which each Province went into Confederation in greater part bore six per cent interest. Shortly after Confederation, when the condition of the Dominion was shown to be so prosperous, the bonds constituting these debts commanded a premium in the money markets, and until they matured they could not be exchanged for others at a less rate of interest. All additional sums required by the late Government were procured at reduced rates, and such of the old notes as matured were replaced by others at the same reduced interest. The Auditor reported "as the result of three years following Confederation, that of \$4,759,335, expended on capital works, \$2,278,234 were paid out of income, and, although there had been an increase of the public debt for large works of two and a half millions, the credit of the country had so improved that the interest payable on the whole had only increased \$2,325." The loans for the Intercolonial and North-West guaranteed by the British Government, also helped to make a lower average, and, in addition to all, during the last four years a large amount of the old notes or bonds bearing five, six and seven per cent fell due and were redeemed by the money raised from the bonds sold at four per cent; although sold at a discount as I have previously shown.

|                                                                |              |
|----------------------------------------------------------------|--------------|
| Of six per cent bond and indebtedness there were taken up..... | \$11,466,745 |
| and of five per cent.....                                      | 2,493,924    |

Making a total of..... \$13,960,669

Within the same period there have been added to the public debt :—

|                                                  |              |
|--------------------------------------------------|--------------|
| Imperial guarantee loan, & p. c.....             | \$16,060,000 |
| Dominion loan '74 .....                          | 19,466,666   |
| " " '75 .....                                    | 4,866,666    |
| " " '76 .....                                    | 12,163,666   |
| Increase of Savings' Banks at four per cent..... | 990,017      |

\$53,550,015

Thus, by taking out nearly fourteen millions bearing mostly six per cent.—the House will bear in mind that they could

not be taken out until they matured—and by adding fifty-three millions at four per cent the average over the whole indebtedness is reduced, but not so much for the actual cash received, as would appear from the statements, for the reason that the Minister of Finance sold our notes at a discount, and we are paying interest on that four millions, that was not cash—never received. So much, hon. gentlemen, for the boast of the Secretary of State, and the member for Toronto (Mr. Brown), that they have improved the public credit, as shown in a reduction of the rate of interest. Yet, after all the boasting and special pleading of the hon. gentlemen, the hard fact remains, that last year we had a deficit of nearly two millions.

Hon. Mr. POWER—No, No.

Hon. Mr. McLELAN—Well, \$1,900,000. And there is this year another deficit amounting to nearly the same, and my hon. friend (Mr. Macpherson) puts the very proper question—what measures they propose to meet these successive deficits? The hon. gentlemen claim that the gross expenditure of last year being less than that of the previous year, there is sufficient evidence of their determination to retrench and reduce the public expenditures. We deny this, as it has been fully shown that the reduction of the gross expenditure is mainly due, either to the completion of certain services, or the temporary withholding of necessary aid to others, and not to any real attempt to economize and reduce the controllable expenditure. We know this, that when these gentlemen came fresh from the people, solemnly pledged to the strictest economy, they rushed into extravagance of expenditure unprecedented in the history of this country, and have only been stopped in their career by the efforts of my hon. friend beside me (Mr. Macpherson) and the efforts that have been made elsewhere. Instead of taking credit to themselves for this pause, they ought, in justice to my hon. friend, and those who have labored with him, to have awarded the credit to those who deserved it. It may be questioned how far these efforts have influenced them. The hon. Secretary of State himself admits in his own letters, that the public discussions on the expenses incurred by the Government have

led them to retrench. I refer to the correspondence between the Agent-General and the hon. Secretary of State, in regard to the London office in which he (Mr. Scott) confesses, that

"the great and growing expense of the London office has formed the subject for much newspaper criticism in Canada, and the Government regret being obliged to adopt the course now proposed as the only feasible means of restricting the expenditure within reasonable limits."

I give this as one of the many evidences existing, that the strong protest in Parliament and through the press by the Opposition against the reckless extravagance which has marked the career of this Government, has alone checked them. To day they stand face to face with a second enormous deficit and yet make no worthy effort to retrieve their position. The Prodigal Son has never largely commanded our esteem, but we can at least say this of him, that when he had spent his patrimony and was brought face to face with the husks, he voluntarily arose and retraced his steps, but this Government that poured out the public money with a prodigality unheard of, and that has been for two years facing the husks of deficit, take no steps backwards to retrieve their position unless driven, as it were, at the point of the bayonet. When my hon. friend beside me (Mr. Macpherson) concluded his able argument, and asked the leader of the Government in this House what reduction he proposed in the controllable expenditure, or how he expected to meet the deficits and make income and expenditure harmonize, what was the answer? Will the country believe it that so vital a question as this, a member of the Government, the hon. Secretary of State, coolly replied "by waiting in the hopes of better times"? Does the hon. member of the Government fail to appreciate the gravity of our position, or does he offer this as a insult to this Senate? Such an answer insults not only the intelligence of this House, but the country that is viewing with the deepest alarm trade embarrassed, industry paralyzed, the public treasury unable to meet expenditure, and a Government folding their hands in utter indifference "waiting in the hope of better times." Dickens, the great master of fiction, sketches for our amusement, Wilkins Micawber waiting for years "in the hope of better

times," always waiting, always hoping, and always selling or trying to sell his bond, his I. O. U. at any discount in the London market. We have all been more or less amused at Micawber's eccentricities, and whilst sympathizing with his family have laughed at his oft repeated declaration that "something was sure to turn up." But here, to-night, we have something beyond even the fruitful imagination of a Dickens. We have men pretending to govern this country—men holding the interests of four millions of people in their hands, who, when appealed to on behalf of those interests, coolly tell us "wait in the hope of better times," to wait, for "something better is sure to turn up." We must put aside fiction, close the volume, and let it rest as does its dead author, for truth is stranger far. To-night we stand amazed in the living presence of the Dominion Micawber.

Hon. Gentlemen—Hear, hear.

Hon. Mr. McLELAN—The hon. member from Toronto (Mr. Brown) follows in nearly the same vein. He is, however, more ardent in his hopes—more confident that the good time is just at hand. He assumes a new character, and plays the role of Colonel Sellars in Mark Twain's "Gilded Age." No matter how dark the outlook, how discouraging the circumstances or delusive the scheme, the Colonel smiled in bland confidence, and assured everyone that "there were millions in it." So does the hon. Senator come beaming on us with the assurance that "we are not embarrassed! We have plenty of money! Every penny has been met. We have had two bad harvests and some bad weather, but the clouds are breaking, and I see the sun rise," and to his vision, at least, "there are millions in it" to meet these annual deficits. Do these hon. gentlemen expect to satisfy the country by such language? Do they hope to maintain the public credit by this course? It is impossible to overrate the importance of preserving our credit, and unquestionably it must suffer if we permit annual deficits of millions. It is, therefore, the plain and imperative duty of the Government—a duty owing alike to the country and to our present bondholders,—to take such action as will prevent their recurrence, and preserve our credit at home and abroad.

## SPEECH OF THE HON. MR. CAMPBELL.

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He said :--I am unwilling to resume the debate upon this question without offering to my hon. friend from Saugeen my congratulations upon the effect which his speech of last Session has produced, alike upon friends and opponents, throughout the country. That speech has attracted the attention of both Ministers of the Crown, and the public. Replies have been attempted by the Premier and the Finance Minister in addresses to the country, and by the hon. Secretary of State in this House. His (Mr. Scott's) speech of last Session has been characterized by the Prime Minister, as having been a complete answer to my hon. friend, yet he himself evidently thought otherwise, or he would not have occupied the House with the somewhat weary details which engaged his and our attention some two or three days, a week ago. A reply has also been attempted by the hon. Minister of Agriculture, and finally we had the attempt by the hon. gentleman whom we know to be almost the parent of the Ministry, the hon. Senator from Lambton.

Hon. Mr. VIDAL—Not Lambton.

Hon. Mr. CAMPBELL—I hope the hon. gentleman will allow me to speak of Mr. Brown as the Senator from Lambton, because he desires to be so designated, and we know, and admire, and speak of my hon. friend (Mr. Vidal) as the Senator from Sarnia. I think my hon. friend from Saugeen is entitled to this congratulation, because on friend and foe the effect

of his speech is acknowledged. We see evidence of it in the pains which Ministers take to reply to it, and by the demand which has sprung up for the perusal of the speech itself. I was a witness, with my hon. friend, of the demand for copies in the North-West last summer. The first thing we heard in Winnipeg was a demand for numbers of that speech. The very first thing I heard in this House, after having had opportunities of speaking with hon. gentlemen from all parts of the Dominion—and hon. gentlemen around me heard it as well—were congratulations upon the usefulness of the speech; upon the admirable manner in which the tables were collated, and the effect it was producing throughout the country. The Ministry profess to be surprised at the course pursued by my hon. friend from Saugeen. They profess to find in it something contrary to the course which he has usually pursued, and to find in him a partizan of the late Government, and on party grounds an opponent of theirs. As to his having been a partizan of the late Administration, all I can say is, when we were in office, I always found him one of your too candid friends, altogether too much so to be comfortable, and he was as often opposing as supporting the Government. I think the course he pursued towards the late Administration he has pursued towards this. He has weighed measures upon their merits and endeavored to deal with them without any reference to partizan feeling. Of course, as



the hon. Senator for Lambton said, every member of this House is influenced by party feeling more or less, but I think the tables my hon. friend from Saugeen has collated and used, and the care he has taken, show almost conclusively that he endeavored to be fair. I think I can say he has been fair, and that, if he erred at all, it has been in leaning too much to the side he opposed. The hon. gentleman's motives are plain on the face of the facts he has detailed to the House. He is identified with the prosperity of the Dominion. He has a large stake in the country, as many of us have, he, happily for himself, larger than most of us, and it was but natural that he should have enquired what should be done in the serious state of public affairs in 1876. The hon. gentleman then found the surplus of eight years amounting to \$12,000,000, which had grown up under the late Government, and which indicated the immense prosperity that the country had enjoyed, had been converted into the alarming deficit of \$1,900,000. Surely that was enough to alarm any one having a large stake in the country. It alarmed all of us, and why should the hon. Senator be accused of being led too far by party feeling, because he saw in that deficit evidence of the disastrous course which was being pursued by the Government, and that he should deem it his duty to draw attention to it? Nothing could be more natural, or could more completely warrant the motto which I see he has put on the publication of his speech: "The situation of this country is alarming enough to arouse the attention of every man who pretends to concern for the country's welfare." It is true the situation was alarming enough to arouse every thinking man's attention. My hon. friend not only saw that deficit but was afraid, unless the attention of the country were called to it, another deficit would follow it, and his apprehensions were unhappily too well founded. The deficit last year amounted, as acknowledged by the Finance Minister, to \$1,500,000, and this is short-stated, because there should have been added to that, the amount placed to the debit of the Suspense Account, \$343,000. It was attempted to misguide the House upon that point, or at all events to lead the House to understand there was nothing

in the entry which ought to be rectified or which did not accurately represent the state of affairs. Now the object of all such entries is to represent to the public mind the true position of public affairs. The entry in question had not that effect. The \$343,000 figured as an asset, when in truth it had been expended on the Intercolonial Railway, and should have been charged for the maintenance of that work to Revenue. It makes the country appear as \$343,000 more wealthy than it really is. If it had been entered as it should have been it would have increased the deficit by that amount. He who runs may read that a sum of that kind should have been charged to the service for which it was expended, and should not figure in a Suspense Account. You may as well put anything else in the Suspense Account—the supplies purchased for these buildings, or for the canals, for instance. There is no reason why those items should not just as fairly, honestly, and correctly, figure in the Suspense Account as this \$343,000, which represents certain rails used in renewals on the Intercolonial Railway, and, therefore, stands just as oil, nuts, locomotives, wear and tear, or any other expense connected with the running of that railway. When that item appears to the debit of the Suspense Account, and figures as an asset, it is quite clear the Public Accounts do not tell the truth with reference to it. No merchant would make such an entry in his accounts, otherwise they would be totally misleading. Happily my hon. friend from Saugeen discovered and pointed it out, and the country will not be so misled again. Undoubtedly, if that \$343,000 had been entered, as it ought to have been, the deficit would have been increased by that amount. There is another item, Sales of Public Works, \$110,000, which should also be added to the deficit. It is impossible to trace out whether those public works originally figured in Capital Account or not, but I do not think anyone familiar with accounts would say that the item ought to appear as Revenue. Evidently it is an exceptional item, and should not figure as Revenue, and therefore it ought to be added with the item in the Suspense Account, to the \$1,500,000, which would make the deficit \$1,900,000, or nearly the same deficit as in the preceding year. No wonder my

hon. friend's apprehensions were again aroused (and it is fortunate for the country that they were aroused) and he was led to direct public attention again to these facts. The circumstances under which my hon. friend made his speech last year, and his speech this year, and to which these replies have been attempted on behalf of the Government and the hon. Senator from Lambton, will now be understood. The statements which he made last Session were of a very serious character. He said there was an increase of the annual controllable expenditure of 1876 over 1873 of \$3,677,000, and in 1876 over 1875 of \$717,000. I draw attention particularly to the excess of expenditure of 1876 over 1875, because as to the expenditure of 1875, I think there can be no pretence there was any responsibility by the late Government. They had been out of power for nearly two years, and they cannot be held responsible for the expenditure of 1875. The fact that there was such an excess in the controllable expenditure of 1876 over that of 1873 cannot be denied. The figures are given by my hon. friend in detail, as can be seen by reference to my hon. friend's speech in the official report of the debates of the Senate, and the fact that the increase amounted to \$3,677,000, has not been denied by the hon. Secretary of State, or the hon. Senator from Lambton, or by anyone outside of the House. But what is said by the hon. Secretary of State is that a comparison between the expenditures of 1873 and 1875-6 is not fair, because the present Government were so tied down by the Estimates and Bill of Supply of 1873-4, and the legislation of that year, that they had not the opportunity of exercising that economy which they otherwise would have exhibited. These hon. gentlemen say the legislation of 1873-4 fastened on them certain charges which they were obliged to pay, and certain works were commenced which must of necessity be finished, and they were driven to spend for these two reasons money which they otherwise would not have expended. I think it is into the merits of this defence we must enquire if we want to come to an accurate judgment as to the allegations of my hon. friend from Saugeen. The hon. Secretary of State in the first place lays great weight upon the estimates of Mr.

Tilley of 1873-4. He says these were the estimates of the late Government, that they showed what public works were contemplated; they were the estimates which the present Government found, and that they were unable to restrict the expenditure because they found these estimates, and the supply based upon them, passed. He says "Look at our expenditures! They did not reach those estimates by more than \$300,000, and 'so the late Government were more extravagant than we have been.'" That is the position of the hon. Secretary of State. As to the comparison, it seems to me you cannot compare estimates with expenditure. The estimates represent the calculations of the Finance Minister of the day. Whether he makes full or close estimates depends not only on his political leanings, but also on his mental temperament, whether it be of a sanguine or a cautious cast. For instance, we know a gentleman who would be almost sure to think there would be money for every purpose, and who would be disposed to make a very liberal estimate—I speak of him with the greatest respect—Sir A. T. Galt. On the other hand, a gentleman who would be likely, from the nature of his mind, to make a very close estimate, was Sir John Rose. The estimates are only the impression on the mind of the Finance Minister at the time as to what the revenue and expenditure are likely to be, and they do not find the Ministry to the expenditure of the sums they are found to contain. Nobody knows that better than the hon. gentlemen from the Maritime Provinces, but the representatives of all the Provinces know that it does not follow because an item appears in the estimates that it is to be expended. How many times did the item of \$500,000 appear in the estimates for the Baie Verte Canal?

Hon. Gentlemen—Hear, hear.

Hon. Mr. SCOTT—That is Capital Account.

Hon. Mr. CAMPBELL—How frequently did items appear for the St. Peter's Canal and a variety of works which were not going to be constructed? There was no absolute pledge they were to be constructed, but the Minister of Finance thought they were to be proceeded with if the revenue continued to increase. If, on the other hand, the revenue showed a

falling off they would not go on. It depended entirely on the state of the revenue as it came in whether a large portion of the expenditure would take place or not. So with other works. Items were placed in the Estimates from time to time, but it did not follow that the works were to be proceeded with. It has been the same with this Government, and I will read the result, even this last year, of a comparison between the estimates and expenditure. The hon. gentlemen would be very loath indeed to be charged with their estimates instead of their expenditures.

Hon. Mr. SCOTT—I made no reference to items charged to Capital Account.

Hon. Mr. CAMPBELL — I will not make any reference to Capital Account.

Hon. Mr. SCOTT— The hon. gentleman referred to the Baie Verte Canal.

Hon. Mr. CAMPBELL—I did so for the purpose of showing that the fact of an item appearing in the Estimates did not necessarily imply that it would be expended. Now, let us look at the Estimates of last Session. There is a large balance brought forward from 1875-6, which had figured in their Estimates and in their Supply Bill, but they would consider it the most unfair thing in the world to be charged with spending money which remained unexpended. Last year the unexpended balance was \$773,000. So, neither in the experience of the late Administration, nor in their own practice, have the Estimates indicated, in that accurate manner which the hon. gentleman would have us believe, the actual expenditure, for which the Government must ultimately be responsible. I take it that if any Government were framing Estimates, if they found the revenue buoyant and redundant for a series of years, that would be a satisfactory explanation to Parliament why the Estimates were liberal; and if, on the other hand, the revenue were falling off, that would be ample explanation to the House of Commons why certain works, not commenced, should not be undertaken. Up to the very year in which those Estimates of Mr. Tilley's were framed, the country had happily been in the receipt of a large income, constantly swelling year by year since Confederation. It was no wonder

the estimates were full and ample. But does it follow, when these hon. gentlemen found the revenue was not going to keep to the full volume, Mr. Tilley expected that they were to be tied down like children to Mr. Tilley's Bill of Supply? I quite admit the principle laid down by the Minister of Finance in his first Budget speech. It is one to which I, at all events, take no exception. That was, in the first place, that certain legislation had been passed, which increased the burden upon the country, and they could not be charged with extravagance because they spent the money which the Legislature made it necessary they should expend. Mr. Cartwright said, in his first Budget speech:

"The Legislation of last Session added over \$1,500,000 to the fixed charges of this country, in full view of the fact we were pledged to one of the most gigantic schemes this country ever undertook."

That is, the Pacific Railway. It will be seen that the Finance Minister, who is a higher authority (I say it without any disrespect) than the hon. Secretary of State or the hon. Senator for Lambton, gauged the increased expenditure attributable to the legislation of 1873 at \$1,500,000. Now, with reference to the works commenced before the change of Government, I think the present Administration should not be charged with extravagance because they finished them. Mr. Cartwright continued:—

"I must again repeat that it would be in the last degree unjust to my hon. friend, the Minister of Public Works, to hold him responsible for this state of things, or to ask him to stop works already commenced, and to put a reduced sum in the Estimates; but when the works now engaged in are completed, which I expect will be the case in eighteen months, a considerable saving will be effected in the annual expenditure, though for this a considerable period of time is necessarily required."

I think the Government are entitled to ask at the hands of this House, in considering this question, that they shall not be held responsible for what was forced on them by the legislation of 1873, or charged with extravagance for completing the works commenced by their predecessors. The Finance Minister had every facility for making an estimate of the charge which that legislation imposed on the country, and he placed it at \$1,500,000. We have now to ascertain how far the Gov-

ernment were fastened down by the works commenced by their predecessors. This is a more difficult estimate to make, and I think we can only arrive at it approximately. But we can get at certain works which the present Government commenced and expended large amounts upon, which were not begun in 1873. In the speech of my hon. friend from Saugeen last Session, will be found a list of these works. They are various in their localities and somewhat different in their circumstances. The amount in 1874 was \$327,552; in 1875, \$203,546, and in 1876, \$556,596—total amount expended in those three years on works added to Consolidated Fund, which were not commenced in 1873, \$1,087,694; so that the excuse that they were tied down by their predecessors is clearly to this extent not borne out by the facts. Can anyone say they were obliged to begin these works and go on with them? Is there any reason why they should not have practiced the economy they thought desirable in these works? They were entirely in their own hands, and they might or might not have begun and gone on with them as they chose. Yet, in the face of a falling revenue, in the face of the deficit of the preceding year and the alarming decrease in the revenue of the succeeding year, they commenced many of these works, and when charged with it they excuse themselves by saying, "We could not practice the economy we desired, because of the manner in which we were hampered by the works commenced by our predecessors, and by the legislation of 1873." As I have said, the excuse is just so far as the works commenced by their predecessors, and the expenditure resulting from the legislation of 1873 are concerned, but it does not apply to the expenditure on works to which I have referred, amounting in the aggregate, since the change of Government up to the end of 1876, to \$1,087,000. Upon these works and all departmental and other controllable expenditure, they could have practiced the economy which the diminishing resources of the country so eminently demanded. Now, I have kept entirely away from expenditures on Capital Account, except when led into it by a reference to the Baie Verte Canal to show the Estimates were not of that binding, obligatory character they were represented

to be. The expenditures on capital have apparently all been on railways, canals, and public buildings in Ottawa. I judge so from a return put into our hands the other day, in which the items chargeable to capital are those I have stated—canals, railways and public buildings at Ottawa. I have kept clear of those and confined myself wholly to controllable expenditure, and I think it has been established beyond the powers which have been brought by the Government to assail it, that the Government expended in the neighbourhood of \$3,677,000 more in 1876 than in 1873; that of this sum \$1,500,000 was fairly chargeable to the legislation of 1873, and that another but comparatively a small sum estimated by my hon. friend from Saugeen, at \$377,000, should be deducted as representing any other expenditure to which they may have been committed chargeable against revenue by their predecessors, that they therefore had the opportunity of economising to nearly half the whole amount if they had seen fit; that the Estimates of 1873, like all other Estimates, were not of the obligatory character that hon. gentlemen opposite have contended, and that beyond all doubt, they had undertaken and spent large sums on a number of works not commenced in 1873, which there was nothing in the world to make compulsory on them to begin. The premises and deduction of my hon. friend from Saugeen, seem to me to have been thoroughly sustained, and after allowing full credit for the charges imposed by the legislation of 1873, and for the necessity of completing works which had then been undertaken, an excessive and controllable expenditure, to the amount of something like \$1,800,000, had been made by these gentlemen in 1876 over 1873. The speech which my hon. friend from Saugeen made, this Session, was not one calling for the warmth of feeling shown by the hon. Senator for Lambton, or the wonderfully long returns which seem to have been prepared for the purpose, and which the hon. Secretary of State kept us occupied with for a couple of days. His (Mr. Macpherson's) speech was a fair review of the claims which the Government had established for economy, in the matters which he had the year before brought under our notice. He very fairly took the gross amount of their alleged saving, as as-

asserted by themselves, of \$1,810,000, and asked how far is this really an economy? He applied himself, I think, in a spirit of perfect fairness, to ascertain whether what he urged on the Government last year, had had any effect, and whether he could find fair reason to congratulate them on their course. The amount of decreases he admitted to be \$1,810,000, and the amount of increases \$474,000. Then he finds the item of \$343,000 in the Suspense Account, which is really short-charged. Instead of being an asset it should be charged to the Intercolonial Railway. The increases and this item make \$818,000, and this, deducted from the apparent decreased expenditure, leaves an apparent decrease of \$992,000. It is with reference to this amount that my hon. friend enquires what are the savings?—is it real economy, or does it represent works completed? It is in the answer to these questions we find whether there is

economy or not, or whether these gentlemen have considered the position in which the country is placed, with a deficit two years in succession. Militia and Defence shows a decrease of \$428,000. You look through the items and find the decrease resulting from diminishing usefulness of the force from the abandonment of camps and training. The staff remains very much as it was, and the decrease is upon what was previously paid to the men. Apparently, also, there was a decrease in not keeping up the supply of military stores. Either the supply purchased the year before was enough for two years, or the Government have dispensed with stores for this year. Then, in Public Works there is a decrease of \$686,000. Are they entitled to credit for this? You find the savings result from the fact that a number of works have been completed. The following is a list of these works:—

*Harbors, Piers, Breakwaters on which Expenditure was incurred in 1876-1877 with list of new items for 1877 only*

| PLACE.                     | 1876.   | 1877.   | PLACE.                     | 1876.   | 1877.   |
|----------------------------|---------|---------|----------------------------|---------|---------|
| Kingston H.....            | 6,267   | .....   | <i>Brought forward,...</i> | 433,788 | 264,522 |
| Cobourg.....               | 23,403  | 8,060   | Cow Bay.....               | 46,458  | 8,656   |
| Port Hope.....             | 14,372  | .....   | Ingonish.....              | 17,926  | 24,851  |
| Port Stanley.....          | 4,732   | 3,394   | Mabou.....                 | 10,084  | .....   |
| Bayfield.....              | 18,398  | 21,200  | Margaree.....              | 3,000   | .....   |
| Kincardine.....            | 4,668   | 10,514  | Harbourville.....          | 2,000   | .....   |
| Owen Sound.....            | 5,500   | .....   | Broad Cove.....            | 3,000   | .....   |
| Port Darlington.....       | 5,000   | .....   | Margaretville.....         | 5,000   | .....   |
| Port Burwell.....          | 3,422   | 5,173   | Oyster Pond, Chedabucto    | 2,000   | .....   |
| Chantry Island.....        | 41,624  | 36,095  | Michaud and Mark Points    | 97      | 10,228  |
| Goderich.....              | 127,200 | 86,175  | Cranberry H.....           | 2,000   | .....   |
| Toronto.....               | 2,824   | 17,075  | Church Point.....          | 2,000   | .....   |
| Oshawa.....                | 5,000   | .....   | Saulnierville.....         | 2,000   | .....   |
| Saguenay.....              | 2,000   | .....   | New London, P. E. I.....   | 503     | .....   |
| Bagotville.....            | 2,000   | .....   | Tignish.....               | 4,557   | 4,750   |
| Baie St. Paul.....         | 8,000   | .....   | Colville Bay.....          | 20,000  | 19,871  |
| Malbaie.....               | 8,000   | .....   |                            |         |         |
| Eboulements, ext. of B'r   | 7,500   | .....   |                            |         |         |
| Riviere Blanche, P.....    | 873     | 1,080   |                            |         |         |
| Dipper H.....              | 279     | .....   | ON THE FOLLOWING THERE     |         |         |
| Point du Chêne.....        | 7,223   | .....   | WAS NO EXPENDITURE         |         |         |
| Richibucto.....            | 10,853  | 1,621   | IN 1876.                   |         |         |
| Shippegan.....             | 6,312   | 9,135   |                            |         |         |
| St. John Harbor.....       | 64,335  | 65,000  | Thunder Bay.....           |         | 5,999   |
| Grande Anse, E. des Chal's | 3,000   | .....   | Riviere Ouelle.....        |         | 1,213   |
| Campobello.....            | 600     | .....   | Musquodobit.....           |         | 1,000   |
| Meteghan Cove.....         | 5,000   | .....   | Chipman's Brook.....       |         | 2,750   |
| Liverpool H.....           | 8,933   | .....   | Lingan Beech.....          |         | 2,000   |
| Jordan Bay.....            | 17,465  | .....   | Tracadie.....              |         | 873     |
| Oak Point.....             | 15,000  | .....   |                            |         |         |
| Trout Cove.....            | 4,000   | .....   |                            |         |         |
|                            | 433,788 | 264,522 | Decrease in 1877.....      | 554,413 | 346,713 |
|                            |         |         |                            |         | 207,700 |
|                            |         |         |                            |         | 554,413 |

This is not the retrenchment which they promised when they went into office. Who does not remember the loud promises made with reference to retrenchment and economy?

Hon. Gentlemen—Hear, hear.

Hon. Mr. CAMPBELL—These were chiefly works which were completed and on which they could not spend money if they tried. The following is a list of the public buildings completed :—

*List of Public Buildings and Works for which expenditures were incurred in 1876 and 1877.*

| NAME.                       | 1876.   | 1877.   | NAME.                       | 1876.   | 1877.   |
|-----------------------------|---------|---------|-----------------------------|---------|---------|
| Hamilton P. O.....          | 1,762   | .....   | <i>Brought forward.....</i> | 550,385 | 267,304 |
| Toronto Custom House....    | 31,694  | 41,939  | Fort Pelly Barracks.....    | 33,966  | .....   |
| “ Exam. Warehouse           | 149,562 | 33,196  | Cus. House, &c., Manitoba   | 40,092  | 5,057   |
| Ottawa P. O.....            | 72,704  | 18,136  | Barracks, Battle River....  | 8,000   | .....   |
| Kingston Military School..  | 55,659  | 33,729  | Public Buildings in N. W..  | .....   | 75,470  |
| “ Fortifications....        | 3,303   | .....   | British Columbia.....       | 14,731  | .....   |
| Toronto Savings' Bank, &c   | 3,879   | .....   | Mar. Prov. Penitentiary..   | 21,860  | 20,294  |
| St. Catharine's M. Hospital | 2,000   | .....   | St. Vinc. de Paul “         | 4,076   | 5,907   |
| Grosse Ile, Quar. Station.  | 10,695  | 3,671   | Manitoba “                  | 60,597  | 39,791  |
| Levis Marine Hospital....   | 2,003   | .....   | B. Columbia “               | 78,114  | 47,218  |
| “ Fortifications.....       | 15,357  | .....   | Penitentiaries.....         | 3,673   | 5,000   |
| Montreal P. O.....          | 71,783  | 11,186  | —                           | —       | —       |
| “ Ex. Warehouse....         | 74,843  | 110,229 | IN 1877 ONLY.               | —       | —       |
| St. John's P. O.....        | 27,243  | 4,146   | —                           | —       | —       |
| “ Custom House..            | 2,081   | .....   | —                           | —       | —       |
| Pictou Custom House....     | 14,086  | 7,364   | Guelph Custom House....     | .....   | 13,111  |
| Halifax Quarantine Station  | 1,010   | 228     | Quebec Fortifications.....  | .....   | 5,927   |
| Yarmouth “                  | 152     | 550     |                             |         |         |
| Sydney Marine Hospital..    | 6,995   | 2,123   |                             |         |         |
| Souris Marine Hospital...   | 3,574   | 807     |                             |         |         |
|                             | 550,385 | 267,304 |                             | 815,494 | 485,079 |
|                             |         |         | Decrease in 1877. ....      |         | 330,415 |
|                             |         |         |                             |         | 815,494 |

These are the items which go to make up the \$686,118, which they say they have saved on public works. I ask is there any economy there for which the Government is entitled to credit? Then the Dominion Land surveys in the preceding year were so extensive as to render it unnecessary that any should be made this year. That can hardly be claimed as a saving; this item amounts to \$122,320. Then, there is a decrease in the item of “Military forces in Manitoba.” If that is partly caused by withdrawing the troops from Fort Osborne, Winnipeg, I think it is a very dangerous saving. We have between Winnipeg and the Rocky Mountains, 25,000 Indians of our own, besides the band of Sitting Bull and the Sioux. It is true no trouble with them has yet arisen, but we know how easily

they are excited, and we never can tell the time when a military force may be required in the North-West. The Government have assumed a responsibility which I, for one, would not like to have taken. This item amounts to \$51,947. Then, there is a decrease in the item for Boundary Surveys, \$134,105. We know that is due to the fact that the survey of the line between the Dominion and the United States is completed. Then, the item Settlers' Relief Fund, \$83,405, shows a decrease. Happily there is no necessity for such an item this year. These items amount in the aggregate to \$1,505,974 or \$513,000 more than the sum which they claim credit for economizing. Where is the retrenchment, where the economy? They led the public to believe they had saved \$1,810,000. That is the represen-



tation which has gone abroad, and which the Public Accounts are intended to convey, but when you come to dissect it you find all these sums I have mentioned, and which they pretend to have saved, must be deducted from it, and the result shows an increased expenditure on possible items of retrenchment, to the amount of more than half a million. The deficit this year amounts to nearly one-third of the interest on the public debt. Fancy such a deficit occurring in England! It amounts to one-eighth of the whole taxation of the country and one-tenth of our entire revenue. The revenue of Great Britain is about £80,000,000 a year. If there were a deficit of seven or eight millions of pounds, what an alarm it would create! Would people there wonder if attention was called to it by a member of Parliament? Would they expect instead of it being carefully looked into and the prospect gravely considered, and an answer given such as would satisfy the anxiety of Parliament and give confidence to the country—an answer that would go to the common sense of the community and showing there was reason to believe the deficit would be checked—that the reply would be such as was given by the hon. Secretary of State the other day, that he depends upon the hope of the future.

"Hope tells a flattering tale,  
Delusive vain and hollow  
Ah! let not hopes prevail  
Lest disappointment follow.

Hon. Gentlemen—Hear, hear.

Hon. Mr. CAMPBELL—I propose now to address myself for a few moments to the answer given by the Minister of Agriculture to the remarks of the hon. Senator from Saugeen with respect to the expense of immigration. In the first place the House will bear in mind that my hon. friend's object was to show how far that expenditure bore fruit and was useful. My hon. friend said the expenditures for procuring immigrants in 1877, was \$209,000, and that the number of immigrants who came by way of the St. Lawrence was 7,000, and that they cost the country nearly \$27 each. This seemed a very startling statement and in very great discrepancy with the reply of the hon. Minister of Agriculture, and there must be something astounding in the Public Accounts if both statements can be established

out of them. My hon. friend from Saugeen said the number of immigrants was 7,000; the hon. Minister of Agriculture, that they were 27,000. My hon. friend from Saugeen said the expenditure to procure immigrants was \$209,000; the hon. Minister of Agriculture that it was only \$110,000. My hon. friend from Saugeen said the cost *per capita* was nearly \$27; the hon. Minister of Agriculture that it was \$4.08. Now, I again draw the attention of the House to the fact that the enquiry of my hon. friend from Saugeen was for the purpose of showing how far this expenditure bore fruit, and it is with reference to that point we must look at his statement. He does not include the arrivals from the United States. Is there a dollar expended there for bringing in immigrants?

Hon. Mr. PELLETIER—Certainly. We have agents there.

Hon. Mr. CAMPBELL—I will read over the items composing the \$209,000 in the Public Accounts, and the House will see where the money has been expended, because, if you want to test the results of the expenditure, you must see where it has been made and the number of immigrants we get for it. (The hon. gentleman has read over every item in the Public Accounts included in the \$209,000, which Mr. Macpherson had divided by the number of immigrants coming in at Quebec, Halifax, St. John, and Portland, Maine.) I submit the immigrants from the United States, except possibly a comparatively small number of French Canadians, come to this country of their own accord, and not as the result of the expenditures of the Immigration Department. Now, let any hon. gentleman read over the items and see if any one of them is connected with the United States.

Hon. Mr. PELLETIER—Yes, Dr. Whiteford was traveling all the year in the United States.

Hon. Mr. CAMPBELL—Is there another?

Hon. Mr. PELLETIER—Yes, Mr. Lalime.

Hon. Mr. CAMPBELL—I knew a Mr. Whiteford, a Canadian, residing in England, and I supposed it had been his name which appeared in the accounts. I

see his expenditure was \$2,763, and Mr. Lalime's, \$3,897. Mr. Lalime, I suppose, would be traveling to get French Canadians to return to Canada.

Hon. Mr. PELLETIER—Not exclusively.

Hon. Mr. CAMPBELL—Well, chiefly for that purpose.

Hon. Mr. PELLETIER—No, he was a regular agent.

Hon. Mr. CAMPBELL—Will the hon. gentleman mention any more, if he can, who were working in the United States?

Hon. Mr. PELLETIER—This is quite a new ground, and I am not prepared to answer now.

Hon. Mr. CAMPBELL—I contend it is perfectly true, and everyone knows it, that the exertions of the Immigration Department are not directed to procuring immigrants from the United States, save as regards expatriated French Canadians, but from Europe, and my hon. friend from Saugeen stated distinctly it was the immigrants who arrived at Quebec he referred to in his statement, because they are the only fruit the Government can take credit for from the expenditure on immigration. My hon. friend from Saugeen included the arrivals at Halifax, St. John, and Portland, as well as the arrivals at Quebec, in his statement. The arrivals from the United States into Manitoba, numbering over 2,084, he has excluded, and why not? What possible connection can they have with this expenditure?

Hon. Mr. PELLETIER—I will show you presently.

Hon. Mr. CAMPBELL—Then, the next item is most extraordinary of all—"reported with settler's goods by custom 'houses, 11,759.'" These people come of their own free will into this country, yet the Government take credit for bringing them here as immigrants produced by the labours of the Department of Agriculture. I acquit the hon. Minister of Agriculture of intentional misrepresentation, but could anything be more misleading than to point to these arrivals as the result of the expenditure of his department? The hon. gentleman also stated that the refunds from the provinces had not been credited by the hon. Senator from Saugeen. He has credited them. They are

in the Public Accounts, and my hon. friend deducted them, and the result is the net expenditure of the department for procuring immigrants was \$209,000. The hon. gentleman also charged him with not having credited the Icelandic immigrants' refund. That also was deducted, and is not included in the \$209,000.

Hon. Mr. PELLETIER—What year do you speak of?

Hon. Mr. CAMPBELL—I speak of 1877. I refer only to the speech of this Session and the replies to it, and I say it was answered in a way that was misleading by the Minister of Agriculture. The \$209,000 represents the expenditure after making these deductions, and the result of it has been to bring some 7,000 immigrants into this country, making the *per capita* cost \$26.50 per head. I carelessly stated it a few moments ago as \$27.

Hon. Mr. PELLETIER—I will prove that to be incorrect when you have done.

Hon. Mr. CAMPBELL—I now turn for a few moments to the hon. Senator from Lambton, who found fault with my hon. friend from Saugeen for introducing financial matters into this Chamber, where he said we have no machinery for inquiring into the Public Accounts. He went so far as to say it diminished the efficiency or usefulness of this House, and said my hon. friend had "railed" at or brought "railing accusations" against the Government. With reference to the charge that it was an error to introduce financial matters in this House, and that its usefulness has been prejudiced thereby, I ask hon. gentlemen who heard the speech of my hon. friend from Saugeen last Session, whether they found, when they visited their homes and other parts of the country, that the reputation or usefulness of this House was not, in the eyes of the people, increased by that speech, and the debate upon it?

Hon. Gentlemen—Hear, hear.

Hon. Mr. CAMPBELL—I daresay these debates and investigations have been inconvenient to the Government and disliked by the hon. Senator for Lambton, but that they have diminished the usefulness of this House, I utterly deny, and I am surrounded by hon. gentlemen who know that the House has not been injuriously affected, but quite the reverse,

by the debates of last Session and this Session, connected with this class of subjects. With regard to the accusation of "railing at the Government," what could be more unfair? Does my hon. friend from Saugeen ever make a statement that he does not follow up by figures and statistics carefully prepared? Who of us has gone into those figures as he has done? Which of us exposes himself so little to charges of that kind? I am amazed at the industry of my hon. friend who, removed as he is, I believe, thoroughly from political aspirations, and with no motives but the good of the country and the advancement of his own fair fame at heart, has spent week after week, again and again, preparing those statements which have borne the brunt of every enquiry. So far from being open to the accusation of railing, I think the House will say he is entitled to, and will receive at the hands of the majority of the people of this country, every credit for his exertions, and the result he has achieved. The hon. gentlemen opposite charge my hon. friend with having based his statements on a fallacy—the expenditure of 1873-4. I have already answered that in my remarks on the speech of the hon. Secretary of State, and I will not again refer to it. The hon. Senator from Lambton said the Government were committed, when they entered office, to an expenditure of \$96,300,000 on public works. I do not know what works he alluded to. If he took in the Pacific Railway and meant that this Government was committed to that amount, they certainly have not gone on with it, save as they themselves thought expedient. Outside of that I do not know what public works there are to cause such an expenditure. Then he said there were \$35,000,000 of the public debt to be provided for. They ought to be exceedingly grateful they had an opportunity to provide for it. They simply reduced the rate of interest, and have all the credit of doing so. Whether they could have reduced it still more, I will not discuss now. The hon. Senator (Mr. Brown) shouted this statement at us with great vehemence, as though he were mentioning some appalling fact. Where is the room for this violent mode of attack adopted by the hon. gentleman? He not only referred to all those facts, but charged my hon. friend

from Saugeen, in addition, with having stated things which were not correct, with having reviled the Government, and having charged them with not presenting the accounts truly. The fact is, my hon. friend from Saugeen made no such charge. What he did say was, that some servants of the Government in the far West, he suspected, had not sent in honest accounts. I don't think anybody in the House understood it as the hon. Senator from Lambton did. The hon. Secretary of State, for a few moments, seemed to be under that impression, but it passed away. The only charge made against the present Government with respect to the mode of keeping the Public Accounts was with reference to the Suspense Account, and he said that presented an untrue view. There can be no doubt it did. The hon. Senator from Lambton also said my hon. friend from Saugeen had held the Government responsible for the increased interest. He did no such thing. He excluded that in his speech of last year. Every item of the public debt and interest was carefully excluded, and it was so stated over and over again, as any one who will refer to the speech can see. The hon. Senator from Lambton asserted that the entire public expenditure of 1876-7 exceeded that of 1873-4 by only \$300,000, and that, he said, was a complete answer to the allegations against the Government. Let us test the accuracy of that. In the first place, the expenditure of 1873-4 is put down by the hon. gentleman at \$23,316,000. In order to bring it up to that amount the Government charged to revenue a sum of \$545,000, for rolling stock, and snow sheds for the Intercolonial Railway, which sum was voted as capital and should have gone to Capital Account. Having improperly charged that amount to revenue, they ask to have the expenditure of that year made the basis of comparison. Then, there was in that year the exceptional charge of \$106,000 for elections. It was not a normal expenditure in any way, and it should have been excluded from a comparative statement. Then there was \$69,330 customs, erroneously, I suppose, collected from the Great Western Railway Co., which was refunded to the Company in that year, and \$407,000 expended on the Dawson Road, which completed it. These were exceptional items. So was the \$404,000 expended

for military stores, which were not required or at any rate supplied again. These items, amounting in the aggregate to \$1,273,907, should be deducted from the expenditure of 1873-4 in order to make it a fair basis of comparison with the expenditures of subsequent years. If it is said in reply that there may be items of that kind in the expenditure of succeeding years, I say, in answer to that, there was a good deal of exceptional expenditure in 1873-4 which I have not mentioned which could fairly be put against exceptional items in subsequent years.

Hon. Mr. SCOTT—Snow sheds are similar to rails, which are charged against revenue.

Hon. Mr. CAMPBELL—No; the rails are for the purpose of repairing the road, but the rolling stock and snow sheds are part of the original equipments of the road, and should go as capital. The money expended, too, was voted as capital.

Hon. Mr. SCOTT—They are not as permanent as rails.

Hon. Mr. CAMPBELL—I venture to say they are more permanent.

Hon. Mr. READ—Last year they were charged as capital.

Hon. Mr. CAMPBELL—Last year, as my hon. friend near me says, similar items were charged to capital. Here is an item voted as capital which they charged to revenue to swell the expenditure of 1873-4.

Hon. Mr. FERRIER—Snow sheds are just the same as stations.

Hon. Mr. CAMPBELL—There can be no doubt the item was put to revenue for the purpose of blackening the expenditure of 1873-4, and the other items were used for the same purpose, and having increased it unfairly as much as they could, they say, "We want that taken as the basis of comparison with the expenditure of succeeding years." The effect of making the reductions to which I have referred, is to place the expenditure of 1873-4 at \$22,000,000, and this would show an increased expenditure in 1874-5 of \$2,445,963. These figures are made up in a different way from the statement of my hon. friend from Saugeen, and go to prove the accuracy of his conclusions. I wish my hon. friend from Lambton was

here, because one could speak more freely, and I daresay with more interest to the House, if one had the advantage of seeing him present. He wound up with eulogizing the Government. He had never known such a Government.

Hon. Mr. ATKINS—That is true.

Hon. Mr. CAMPBELL—The Ministry are the creatures of his breath, and it must be satisfactory to them to be praised by him, but being so closely connected with them, he looks with natural fondness and affection on all they do. I do not think the public will share in the admiration of my hon. friend from Lambton. He closed with a bold and striking challenge, defying any one to produce evidence of even any "culpable neglect or thoughtless waste" on the part of the Government. I accept that challenge, and I ask was there no "culpable neglect or thoughtless waste" in the expenditure connected with the Georgian Bay Branch of the Pacific Railway, in which a gentleman, now no more, who was supposed to have peculiar claims on their gratitude, was given a contract where there had never been a survey, and where it was found impossible to go on with the work? Finding this to be the case, they gave him \$109,000, \$40,000 for expenses he had been put to, and \$69,000 called an advance upon rails.

Hon. Mr. SCOTT—The rails are there yet.

Hon. Mr. CAMPBELL—The greater part of the rails which they got, they actually loaned to him again, and they were used by him in another railway in which he was interested, where they now are. They took as security bonds of the South-Eastern Railway Company, which nobody would give a farthing for. Instead of insisting upon the performance of the contract, they gave back the securities, advanced \$69,000 on the contractor's rails and then lent him a large portion of them and took as security South-Eastern Railway Company's bonds, worth nothing. Was there no evidence of culpable negligence or thoughtless waste in all that? Then again, they purchased steel rails in 1874 without authority from Parliament, enough to lay 555 miles of track of the Pacific Railway before a mile was located. The hon. Secretary of State told us two or three years ago, where those rails were going to be laid, and led us to believe

they would be *in situ* one or two years ago, yet the bulk of them are piled up at Kingston and Esquimaux, and other places, corroding, monuments of the folly and incapacity of the Government. Was there no evidence of culpable negligence and thoughtless waste in a transaction which involves the loss of two millions of money, absolutely thrown away in those rails, over and above what they might have since been purchased for, which money might have been in the Public Treasury? Then they gave \$235,000 worth of steel rails to the Truro and Pictou Railway, which they had presented to a local company. An arrangement had been made by which the Truro and Pictou road was to be handed over as a subsidy to a company who had undertaken to build a road from New Glasgow to the Gut of Canso, and after having made the bargain, the Government unnecessarily and voluntarily expended \$235,000 on the road they were giving away. Was there no culpable negligence and thoughtless waste there? Was there not thoughtless waste at Fort Francis in building a lock at a cost of, at all events, \$300,000, which is of no use, and which the hon. Secretary of State is driven, in sheer despair, to excuse, by saying it will be useful in a military point of view, "and for lumber purposes?" We know that a slide might be constructed for a few thousand dollars to take down all the lumber that will ever pass down Rainy River. We know millions of feet of lumber have been taken down the Ottawa for tens that will ever be taken down Rainy River, and that nothing more costly than slides has been used for the purpose. Was there no "thoughtless waste, or culpable neglect" in constructing public buildings, at an expense of \$60,000, at Fort Polly, which they were afterwards obliged to abandon, and construct other buildings at Battleford? Was there no "thoughtless waste" in spending \$67,000 at the Kaministiquia for an inconvenient site for the railway terminus, when they could have got one twice as good for half that amount? Is there no "culpable neglect" in the way they have gone on with the Welland Canal works, spending millions on the lower end, where the improvements can be of no use whatever until the water is

let in from Lake Erie, by locks yet to be constructed at the head of the canal? The interest on the amount which they have thus expended, before the other works upon which these depend can be constructed, will be in the neighborhood of \$750,000. The items which I have mentioned amount to something like \$3,500,000. I will recapitulate:—

|                                                                                                                                |           |
|--------------------------------------------------------------------------------------------------------------------------------|-----------|
| Amount paid for Surveys as alleged on relieving Mr Foster of his Georgian Bay Branch, contract                                 | 40,000    |
| Advance to him on rails, a large portion of which rails were loaned to him again on security of Eastern Counties Railway bonds | 69,000    |
| Loss on purchase of Steel rails including interest &c. estimated at                                                            | 2,000,000 |
| Expended unnecessarily on Pictou and Truro Railway, after it had been agreed to be given away                                  | 235,120   |
| Fort Francis Lock at least                                                                                                     | 300,000   |
| Fort Polly buildings abandoned                                                                                                 | 60,000    |
| Kaministiquia terminus                                                                                                         | 50,000    |
| Loss of interest on Welland Canal improvident expenditure                                                                      | 750,000   |

And, I will ask hon. gentlemen, is there not abundant evidence of "culpable neglect and thoughtless waste," in many, if not all, of the items to which I have referred? And let us bear in mind also, that, had it not been for the action of this House two sessions ago, they would have gone on with the Georgian Bay Branch, and the Esquimaux & Nanaimo Railway.

Hon. Gentlemen—Hear, hear.

Hon. Mr. CAMPBELL—They would have built a railway on Vancouver Island along an arm of the sea navigable all the year round, over a line of country where there does not live a single being.

Hon. Mr. MACDONALD (Victoria)—I beg the hon. gentleman's pardon; that is not correct.

Hon. Mr. CAMPBELL—How many are there?

Hon. Mr. MACDONALD—I cannot say.

Hon. Mr. CAMPBELL—There may be some close to Victoria, and in the vicinity of Nanaimo, but the intervening territory is a wilderness.

Hon. Mr. SCOTT—That was the terminus your Government fixed.

Hon. Mr. CAMPBELL—The Government are not bound in the least by that. The terminus might or might not have been

at Victoria, and certainly would not have been there until the main line had been built; but the question now is whether the present Government were justified in the course they contemplated pursuing, and which, but for the action of this House, they would have taken in building this road when, and for the reasons they gave, on Vancouver's Island, the very place of all others one might fairly contend where the construction of a railway could have been postponed to the very last. I think, then, I have established the correctness of the course pursued by my hon. friend from Saugeen. His figures have borne the test of the closest scrutiny and have not been successfully assailed. I do not believe they can be controverted, and I trust

that the debates upon them will go to swell the stream of conviction, which, as I am satisfied, settling down on the minds of the people of this country, from one end of it to the other, of the hollowness of the professions which the members of the Administration made to obtain office, and every one of which they have broken to retain it, and of that want of capacity which has led them to tell us they rely upon "hope" to redress recurrent and alarming deficits, and to confess that they are unable to use the power with which they have been entrusted even to alleviate the depression which under their auspices has overtaken so many of the commercial and manufacturing interests of this once flourishing country.





## SPEECH OF THE HON. MR. MACPHERSON.

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Hon. Mr. MACPHERSON—I take it for granted, that all the hon. gentlemen who desire to speak on this notice have done so, and that I may now proceed to close the debate. It is almost unnecessary for me to say anything in the way of reply, because the hon. Senators from Kingston and Londonderry have answered so completely the hon. Secretary of State, and the hon. Senator from Lambton (Mr. Brown) who came specially from Toronto to support the Government. The hon. Secretary of State and the hon. Senator from Lambton did not shake any of the statements which I presented to this House, either last Session or this, and my hon. friends showed this very conclusively. However, it is usual for the mover to close the debate, and I shall proceed to do so. I shall first say a few words in reply to the speech of the hon. Senator from Prince Edward Island, who spoke last night. He scarcely addressed himself to the subject before the House. His speech was more a lecture on the proprieties of the debate. He evidently intended to censure me for having occasionally interrupted the hon. the Secretary of State, while he was speaking. I should be sorry to be open to the charge of interrupting him for any object, except to obtain information, which, I am sure, the hon. Secretary of State was willing to communicate, and could better furnish than at any other time. He did not complain of it; on the contrary, when the hon. Senator from Lambton called attention to it, he said he was glad to have had the questions asked. There are occasions when unless information is got at the moment it is not obtained at all. The hon. Senator from Prince Edward Island, as I have remarked, did not address himself to the question before the House, but said the smoothness with which the hon. Secretary of State discoursed upon the subject, and the length of his speech, convinced him that the Government were right, and the charges

of extravagance and incapacity which I had brought against them were not well founded, not because the hon. Secretary of State had disproved any one of them, but because he had discoursed at great length and with great smoothness. The hon. Senator from Prince Edward Island stated what I think I should not omit to call attention to, because it had a semi-official ring. He said he understood that what was called the "missing link" in the Lake Superior section of the Pacific Railway was not to be proceeded with at present, owing to the state of the finances of the country. I have stated before, and I now repeat, that until that section is built all that is now being done on the two end sections will be useless. I think the House and the country have a right to expect that the Government will state expressly what their policy is in respect to that section of the Railway. If they do not intend to build that centre section, why proceed with the two ends? The more perishable portions of them will decay in the course of seven or eight years and unless the central section is completed they will not have been made use of. Before referring to the speech of the hon. Secretary of State, I shall make some remarks upon the subject of expenditure on immigration and correct the allegation of the hon. Minister of Agriculture. As I understood the Minister of Agriculture he denied the correctness of the statements which I submitted to the House this Session and last Session in respect to immigration, and the expenditure of the Immigration Department. Now, it would have been open to the hon. gentleman, if he had seen fit, to have questioned the basis on which I made my calculation, but when he went further and said that according to the basis chosen by myself, my calculations were inaccurate, he should have been very certain that he was borne out by the facts.

Hon. Mr. PELLETIER—I never said the hon. gentleman's calculations were

wrong. I stated he had a wrong basis for his calculations.

Hon. Mr. MACPHERSON—I understood the hon. gentleman to say the calculations were wrong and that the errors relating to his Department were indicative of errors in others of the statements which I submitted.

Hon. Mr. PELLETIER—I said the statement of the hon. gentleman about immigration was entirely wrong and that it was due to the wrong basis on which he calculated.

Hon. Mr. MACPHERSON—Am I correct in saying that the hon. gentleman went further and stated the errors, which he alleged were in my statement, respecting immigration, were indicative of further errors in my statements?

Hon. Mr. PELLETIER—If the hon. gentleman understood that, I am quite ready to say I had no intention of imputing anything else to the hon. gentleman than the fact that his basis of calculation was wrong.

Hon. Mr. MACPHERSON—If the hon. gentleman thought my basis was wrong, he was perfectly justified in presenting his own view of it to the House. I shall now explain to the House what my basis was, and I think I shall be able to show that it was a fair and correct one. The hon. gentleman referred to my speech of last Session, and I don't think he acted with the strictest fairness. He referred partially to the statement in my speech of this Session, and then referred to my pamphlet, and alleged there were errors in the Immigration tables contained in it. My pamphlet contained nothing that I did not state in this House last Session, and that did not appear in the official report of the debates of the Senate. I contend, if there was anything wrong in my speech of last Session, it was the duty of the Minister of Agriculture to have pointed it out then. He heard me in the House, and he had an opportunity of reading what I said in the newspapers and in the *Hansard*. If it escaped his notice then, he should have given me notice that he would question it this Session. All my statements are strictly correct. For the years 1872-3, 1874-5, and 1875-6, I took the total expenditure of the Immigration Department, and showed on the face of my statement the

amount charged on quarantine. I did not deduct it, but showed it that gentlemen might dispose of it as they saw fit. They might either deduct it or not. Any person who could apply the first three rules of arithmetic could tell what sum I divided *per capita*. My hon. friend opposite (Mr. Trudel) asked the hon. Minister of Agriculture whether I applied the same rule in comparing the expenditures of those three years—1872-3, 1874-5, and 1875-6. The hon. gentleman did not seem to understand what was quite plain, that he (Mr. Trudel) wanted to know whether I applied one rule to 1873 and another rule to 1875 and 1876. The hon. Minister of Agriculture would not give him an answer. I now tell him that I applied the same rule to all those years.

Hon. Mr. PELLETIER—I said that.

Hon. Mr. MACPHERSON—I appeal to the hon. Senator from Montreal to say whether he understood that.

Hon. Mr. TRUDEL—When the hon. Minister of Agriculture stated the expenditure was only \$9 per head, while the hon. Senator from Saugeen made it \$26 per head, I asked the hon. Minister whether the hon. Senator took the same basis of calculation. He did not answer. Perhaps I did not put my question in a proper way.

Hon. Mr. MACPHERSON—I applied the same rule to each of the three years. I included the charges for quarantine, because I considered them part of the ordinary immigration expenditure, and the amounts were very similar for each of those three years. They scarcely affect the comparison. But, when I came to 1877, and found an item of \$44,598 for quarantine, and that nearly one-half of this sum was for small-pox quarantine in Keewatin, what did I do? Did I include this amount in the immigration expenditure, which I divided *per capita*, or did I include a part of it, as I might fairly have done? No. I struck out the whole amount.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—I also struck out the loans to and cost of transporting Mennonites; I deducted from the gross expenditure of \$354,000 for immigration and quarantine the sum of \$144,000 including refunds, and it was the

balance of \$209,416 that I divided by the number of immigrants. It is stated on the face of the Public Accounts, that the amount chargeable to Immigration for 1877, was \$229,653, but from that I deducted more than \$20,000 before dividing the expenditure *per capita*.

Hon. Mr. PELLETIER — By what number of immigrants did you divide it?

Hon. Mr. MACPHERSON — I will come to that presently. I did not take even a part of the quarantine expenditure, as I might properly have done, and if I had adhered to the rule I followed, I would have done so, but I gave the Government the benefit of the whole of that expenditure. I state here that, in preparing statements which were necessarily in any respect estimates—there were very few such, two or three only—whenver I was in any doubt, I gave the present Government the benefit of that doubt. With respect to the number of immigrants, I stated last Session that I confined my comparison to those arriving by the St. Lawrence. I considered that the expenditure by this Department in Europe was made for the purpose of inducing immigrants to come to this country by our own route—the St. Lawrence—and by no other. If they came by any other route, we could not tell whether they came through the labors of our agents in Europe, and that directing them by the St. Lawrence was only secondary to directing them to Canada. I, therefore, took from the returns the whole number of immigrants who came by the St. Lawrence, and there again I was unduly liberal to the Government, because I not only included those who declared themselves to be intending settlers, but all those who came by the St. Lawrence, intending to go to the United States. I shall confine the rest of my remarks, as far as possible, to the immigration of 1877, which was what I submitted to the House this Session. I took as the number of immigrants who came by the St. Lawrence, 7,743. This includes those who intended to pass through as well as those who intended to settle in Canada. To have made an exact calculation of those who came to this country directed, I will assume, by the emigration agents in Europe, the number, instead of being

7,743, should have been 6,785, arrived at in this way:—

|                         |       |
|-------------------------|-------|
| At Quebec.....          | 4,201 |
| “ Halifax.....          | 990   |
| “ St. John.....         | 141   |
| “ Portland (Maine)..... | 1,513 |
|                         | <hr/> |
|                         | 6,785 |

Now, instead of dividing the immigration expenditure by this number of 6,785, which would have been the strictly correct way of doing it, I gave the Government the benefit of the doubt, because I could not tell how many of those who came, intending to pass through, changed their minds and settled in the country, or of those who came with the intention of settling changed their minds and passed through, so I took the whole of the arrivals by the St. Lawrence, another instance of my giving the Government the benefit of the doubt. I think I must have made it perfectly clear to the House, and to the Minister of Agriculture, that there was not only no desire on my part to make the expenditure of this Department appear to yield a smaller return than it really did, but that on the contrary, wherever I could, I favoured the Government. Now, the hon. gentleman stated that I had improperly charged against the European agencies, the salaries of two agents who were employed in the United States. Now, I may state that there is nothing in the Public Accounts to show where those gentlemen were employed. I see it is stated in the report of the Minister of Agriculture that two men are employed in the United States. There is Mr. Lalime who received \$3,897 last year, and Mr. Whiteford who received \$2,763. I must say in passing, that Mr. Lalime's salary and travelling expenses seem very high indeed. There is no county judge in Ontario who has such a salary; some of the judges of the Superior Court in Quebec have smaller salaries, and the judges in the other Provinces receive smaller salaries than this emigration agent. The hon. Minister of Agriculture said, in reply to my hon. friend from Kingston, that these agents were not chiefly employed in inducing French Canadians to return to the country—that they were not employed chiefly in promoting the work of what is called repatriation. I shall

read an extract from the report of the hon. Minister himself. This is what he says:—

"There was in 1877 a considerable accession to the colonies of repatriated Canadians in Manitoba; 563 immigrants of this class came from the New England States during the year, against 361 the previous year, under the direction of Mr. Charles Lalime, Special Agent. Mr. Tetu, the agent at Dufferin, also reports the accession of considerable numbers from the Western States. The total number of immigrants of this class during the year, was 836. The Manitoba Colonization Society rendered valuable service in promoting the comfort and settlement of the immigrants after their arrival. These settlements appear to be successful, and there is prospect of their continued increase to the manifest advantage of the Province. \* \* \* \* \* The agent reports the immigrants of Canadian origin from the Eastern United States, to be 398, and from the Western States, 273."

You see, Mr. Lalime is here referred to as a "special agent."

Hon. Mr. PELLETIER—Special agent for what?

Hon. Mr. MACPHERSON—To repatriate French Canadians.

Hon. Mr. PELLETIER—It does not state that in the report. Does the hon. gentleman mean to say the only Canadians in the United States are those of French origin?

Hon. Mr. MACPHERSON—The reference is evidently to French Canadians. See what Mr. Lalime says. He rather patronizes the Minister of Agriculture. His report is dated "Worcester, Mass., 31st December, 1877," and he says:—

"SIR,—I am happy, not only in my capacity of Immigration Agent, but also as a Canadian and a British subject, to see the favorable results of the policy of your Government on the subject of the migration of Canadians from the United States to Manitoba.

"My last year's report promised for this year an increase in the number of these immigrants.

"Thanks to the liberality of your department and to my repeated efforts, the number of 361 immigrants in 1876 has increased to that of 563 in 1877.

"I had to refuse a number of persons, who were desirous of emigrating, but had not the means of establishing themselves.

"One of the reasons, or one of the advantages, which decided a large number of persons to settle in Manitoba was the facility they had for starting early in spring, and making a rapid journey by rail to Fisher's Landing, in the State of Minnesota.

"The happy results we have hitherto obtained have not been gained without meeting with obstacles, many persons having great influence with Canadians who resided in the States. The

whole of the Canadian press in New England, with the exception of the *Travailleur* of Worcester, and some discontented adventurers, who took advantage of my confidence on the occasion of my first journey to Manitoba, made occult and hidden efforts in opposition to the movement.

"I even encountered at a public meeting at Fall River a braggart whom I considered to have been hired to cast discredit on the Province.

"In my contest with him, and on five other occasions, I had the advantage of being able to refer to the distinguished testimony of the Reverend Fathers Lacombe and Fillion, of Manitoba.

"Among the difficulties which I had to overcome, were those caused by the unhappy and shameful efforts of some Canadians, one of whom was editor and proprietor of an unscrupulous and worthless newspaper. These people, for the sake of a small commission from certain railway companies in the south-west, sought to establish a current of emigration to Kansas. They retailed many stupid, unfavorable assertions, and in some places I had to devote several days to the counteracting of the effects of their false diatribes."

Don't the names in this report prove the object of the special agent?

Hon. Mr. PENNY—Does the hon. gentleman object to French Canadians?

Hon. Mr. MACPHERSON—Not at all.

Hon. Mr. PELLETIER—The instructions were not particularly to bring back French Canadians.

Hon. Mr. MACPHERSON—The reports indicate that that was their mission.

Hon. Mr. CAMPBELL—When the name of Mr. Lalime was mentioned the other day, I said, "Oh, to bring back French Canadians?" and the hon. gentleman said "No." It now appears that was his mission.

Hon. Mr. PELLETIER—It does not appear to be by the report.

Hon. Mr. CAMPBELL—It does by the names mentioned in it.

Hon. Mr. PENNY—He was sent to bring back Canadians, and if he could get French Canadians there was no reason why he should reject them.

Hon. Mr. CAMPBELL—That is quite right.

Hon. Mr. MACPHERSON—Mr. Whiteford, the other agent in the United States, says in his report from Detroit:—

"Being permitted to do so, I opened an office in Chicago, where I find more facilities for my work, being the centre of a greater num-

"ber of railroads, still making Detroit my headquarters. I have since my nomination worked chiefly in Chicago and other cities in Illinois, Kankakee, Mento, Bourbonnais, Gilman, Clinton, Assumption, generally on the lines of the Illinois Central, on both branches from Chicago to St. Louis, in the usual manner previously described.

In conclusion, Honourable Sir, I sincerely believe that I shall obtain satisfactory results from my journeys of this winter. I am not a stranger in the Western States; having during your predecessor's term of office acted as Agent to promote the return of the Canadians to Canada from States of the Union, I have become acquainted with the people and with the country, and know how and where to work to obtain the greatest results. I am pleased to notice that my mission under your predecessor has not been without results, as I have ascertained that the number of Canadians in the West has considerably decreased by this repatriation to Canada, which is still continuing."

There is not the slightest doubt as to what is meant there. I am quite as glad to see French Canadians as any other Canadians coming back. Does the hon. gentleman mean to tell me that those agents can be of any use in the United States in inducing either Americans or immigrants from the United Kingdom who have settled in the United States, to come to this country? The thing is simply absurd. This House will agree with me that the services which they can render in that way must be altogether infinitesimal. It is perfectly well known that native Americans and others to whom I have referred know as much about Canada as any agents who can be sent to them. If they have gone to the United States from Europe it is with the intention of remaining there. Let us see what the two agents in the United States have accomplished in the way of repatriating Canadians, of French and English origin. Mr. Lalime says he induced 563 to emigrate from the Eastern States, and there entered from the Western States 361, altogether 924. There is a slight discrepancy between this and the statement of the Minister of Agriculture, who puts it at 820. I presume he has given the correct number. The salaries of those two agents together come to \$6,661, and the number of immigrants which they induced to come to Canada was 836 during the year, being within a fraction of \$8 per head.

Hon. Mr. PELLETIER—That is very cheap.

Hon. Mr. MACPHERSON—The sum

which I divided over the 7,743 immigrants who came by the St. Lawrence was \$209,416. I deduct from that \$6,661 for the salaries of Mr. Lalime and Dr. Whiteford, leaving \$202,665, to be divided over the other immigrants. According to my view the number over whom it should be divided is 6,785, being those I have already enumerated, and making their cost per head within a fraction of \$30, or more than I originally stated.

Hon. Gentlemen—Hear, Hear.

Hon. Mr. MACPHERSON—The hon. gentleman claims that the other immigrants who came from the United States, numbering together, 20,296, should be included with the 6,785, making together 27,081, and that it is over this number that I should divide the amount of \$202,665. Let us see how these immigrants came to the country, and what record there is of them in the Immigration Department. By the Suspension Bridge there came 6,453. Now, there is not a gentleman from the Province of Ontario here who will assert that those 6,453 persons were influenced by our agents in the United States. The only emigration agent who was within reach of them was Lalime, at Worcester, Massachusetts. Now, is it to be supposed, when all his efforts only resulted in persuading 563 persons to emigrate to Manitoba, that he could have induced 6,453 to come to Ontario, by the Suspension Bridge? The thing is simply preposterous.

Hon. Mr. AIKENS—Hear, hear.

Hon. Mr. MACPHERSON—They were chiefly people passing backward and forward, seeking employment. They were attracted by our public works, and they declared themselves to be intending settlers in order to get their furniture and effects admitted free of duty. They were not moved by emigration agents, but by motives of their own. To say that the expenditure of the Immigration Department had moved them is altogether unreasonable. But they were not the only ones. There entered Manitoba from the United States, 2,087. These were not repatriated Canadians. Can an emigration agent have had anything to do with inducing them to come? Nothing in the world. But there is still another class, those reported with settlers goods by Custom Houses 11,759; and who do you

think these were? The hon. gentlemen says these should be included in the number over whom the expenditure should be divided *per capita*.

Hon. Mr. PELLETIER—So they should.

Hon. Mr. MACPHERSON—The hon. gentleman has only one agent in the Western States, at Detroit. The other is at Worcester, Mass. and are we to be told that 20,296 people were induced by two agents to emigrate from the United States and to settle in Canada. The pretension of the hon. gentleman is perfectly amazing, and all I can say is that if the hon. gentleman believes so impossible a statement, as he has made, he cannot understand the working of the Immigration Department.

Hon. Mr. PELLETIER—I am very much obliged to the hon. gentleman.

Hon. Mr. MACPHERSON—The hon. gentleman led the House, to understand, that immigration was increasing. His own returns show that it is decreasing by the St. Lawrence which, is after all the only true test, as will be seen by the following figures :—

|                                   |        |
|-----------------------------------|--------|
| In 1870, there arrived by the St. |        |
| Lawrence.....                     | 44,475 |
| 1871.....                         | 37,020 |
| 1872.....                         | 34,743 |
| 1873.....                         | 36,907 |
| 1874.....                         | 23,894 |
| 1875.....                         | 16,038 |
| 1876.....                         | 10,901 |
| 1877.....                         | 7,743  |

The returns by Halifax and St. John are only given for three years, therefore they do not afford any great scope for comparison. I think I have made this immigration matter perfectly clear. I have not only shown what the hon. gentleman does not deny, that my calculations are correct, but also that the bases on which I made them were also correct.

At 6 o'clock the House rose.

#### AFTER RECESS.

Hon. Mr. MACPHERSON resumed his speech. He said :—I have a few more words to say on immigration. The expenditure which I have taken from the Public Accounts and which, divided *per*

*capita*, after deducting the salaries of Lalime and Whiteford, was \$202,755. Now, it is ascertained that all that has been done by the Immigration Department, except what was done by Lalime and Whiteford, was to bring 6,785 immigrants to the country for for an expenditure of \$202,785. This leaves to Messrs. Lalime and Whiteford the credit of bringing the other immigrants which the hon. Minister of Agriculture claims as having been brought through the agency of the Department and numbering 21,000. It amounts to this, that Lalime and Whiteford, for their \$6,661, induced 21,000 immigrants to come to Canada, while all the other agents only succeeded in persuading 6,785 to come. This, alone, shows the absurdity of the ground taken by the hon. Minister of Agriculture. I think hon. gentlemen understand clearly that what I meant by urging the fact that Messrs. Lalime and Whiteford were agents for the repatriation of French Canadians, was to show that their labors were confined to that class. I take it that every hon. gentleman in this House understands that I urged that simply as a matter of fact. No one will suppose for a moment that I would rather see Canadians of any other nationality come back to this country in preference to Canadians of French origin. No man in this House is freer from any feeling of that sort than I am. What I urged is proved by the report of the Minister of Agriculture. The Department is a very costly one, and I did not go beyond the strict bounds of fact when I said that as the expense increased the immigration diminished. The truth is, we have got in the Immigration Department a very large skeleton, an establishment intended for a much larger business than it has had to transact. That is what I find fault with. I should be sorry to say anything bearing with undue severity upon the Department or the Minister; at the same time I feel that great injustice was done to me by the hon. gentleman in the way he spoke of the calculations I submitted to the Senate, and he was not content with impugning them himself, but he handed over the papers prepared in his Department to the hon. Senator from Lambton, that he might attack me also. I called Mr. Brown's attention to the fact that his allegations



were not correct, and he dropped the subject. I leave it to the House to say whether the statements which I submitted have not been proved to have been correct from official sources of authority.

Hon. Mr. CAMPBELL—Perfectly correct.

Hon. Mr. MACPHERSON—I shall now proceed to reply briefly to the hon. Secretary of State. The speech of that hon. gentleman was really an attempt to answer my speech of last Session. What he submitted to the House seemed to have been prepared during the recess in the Finance and Audit Departments. There were certificates from the Auditor-General and others, showing that it had been pre-arranged in the Departments, but it altogether failed as an answer to what I had said last Session, and there was no attempt to reply to my speech of this Session. The hon. gentleman devoted a great deal of attention to the Estimates for 1873-74. Any one familiar with such matters must know that the Estimates have nothing to do with the question. By the expenditure and not by the Estimates, we must judge of the economy or extravagance of the Government.

Hon. Mr. AIKINS—Hear, hear.

Hon. Mr. MACPHERSON—It is in the last degree unjust to say that the late Government was exclusively responsible for the expenditure of 1873-4. It is unreasonable to say that the Government which was in power for eight months of that year had no responsibility, yet that is what is contended by the hon. Secretary of State and the hon. Senator from Lambton. I admit—every hon. gentleman knows and admits—that the expenditure was increased by Statute in the Session of 1873, and that for such expenditure the late Government was responsible. The whole question of responsibility turns upon the sufficiency of the allowance made by me for the statutory increases made in the Session of 1873. I allowed not only \$1,500,000 which the Finance Ministers of both Governments stated would about cover the annual increase incurred that year, but to guard against the possibility of doing injustice to the present Government, I allowed the sum of \$1,877,000. Now, I think the best evidence

that I did no injustice to them is to be found in the fact that there has been no serious attempt, either here or in another place, or in the press, to refute or deny the sufficiency of that allowance. I hold it has been found altogether impossible to controvert the correctness of my estimate of the amount of that increase. I did in respect to this case as I did with the quarantine item for 1877. I allowed more than I believed to be necessary, in order that I might not by any possibility, do injustice to the present Government. The general statement that I submitted, showed that the present Government were responsible for \$1,800,000, of increased annual controllable expenditure in 1876 over 1873, being at the rate of \$600,000 a year, and furthermore, that in 1876, as compared with 1875, the ascertained increase was \$716,062. These statements have scarcely been questioned; they cannot be refuted, and must now be accepted as absolutely correct. In 1877, as compared with 1876, I maintain that there was an increase in controllable expenditure, of at least \$500,000. Great pains have been taken to attach responsibility to the late Government—very unfairly—for the increase of expenditure since 1873. If the present Government considered it necessary to increase the expenditure, as they have done, they should have the courage to assume the responsibility, and to say “we did what we believed to be necessary in the interests of the country, and are prepared to defend it.”

Hon. Mr. AIKINS—Hear, hear.

Hon. Mr. MACPHERSON—Instead of that, they say it was incurred by their predecessors, it was a heritage, and that they were obliged to carry out what had been undertaken by their predecessors. I maintain that this is incorrect, and that its incorrectness can be demonstrated. My hon. friend from Kingston, and my hon. friend from Londonderry, both showed that the facts were not only as I had stated, but that they were much more unfavorable for the present Government than I had stated. They have shown that \$1,283,000 had been charged against the Consolidated Revenue Fund in 1874, which, according to previous usage, ought to have been charged

against capital. One item of upwards of half a million dollars, part of this expenditure, was on account of the construction of the Intercolonial Railway. Similar expenditure on that railway, previous to 1874, had been properly charged to capital, but in 1874 the new Government charged the item I have named to Consolidated Revenue Fund, and which Fund was accordingly improperly swollen by that amount. There were other items, increasing the amount to \$1,283,000, which was improperly charged in 1873-74 to Consolidated Revenue Fund. Such "cooking" of the accounts was misrepresenting their predecessors, deluding the public, and unworthy of the Government. The Public Accounts for 1873-4 were prepared so as to show a large increased expenditure, charged to revenue, and this Government then said disingenuously that their predecessors were responsible for that increase. They say that the expenditure of that year should be taken to be the expenditure of the last year of the late Government, and would conceal that they themselves had increased it. They say they were bound by estimates. Now, hon. gentlemen must know that estimates are not binding on any Government. Not only are they not binding, but the amount of the estimates is never exactly expended. There is always a balance, either over or under. In the Public Accounts for 1877 there is a statement of balances of appropriations which lapsed on the 30th June, 1877. There is an item in this statement for almost every department of the Government. What I have said of estimates applies both to capital account and revenue account, and last year the lapsed balances amounted, in all, to \$3,117,647.

Hon. Mr. SCOTT—That is capital account. Votes are taken for very large sums not intended to be spent. You will find some for five or six millions of dollars.

Hon. Mr. MACPHERSON—It is partly chargeable to capital and partly to revenue. You will find the sums in the Estimates of the year—such as for Governor's Secretary office, Privy Council, Justice, Interior—all the Departments.

Hon. Mr. SCOTT—A vote taken on capital account is rarely spent.

Hon. Mr. MACPHERSON—This is

not capital account. What I say is, that the precise amount of the estimates is not expended. Probably not one item in the Estimates is exactly expended.

Hon. Mr. SCOTT—Some are over and some under; there is no doubt of that.

Hon. Mr. MACPHERSON—That is what I say. A great deal was said of Mr. Tilley's Estimates the other day, and it was protested that they established prodigality against the late Government.

Hon. Mr. SCOTT—It is a pretty good test of what was meant to be done.

Hon. Mr. MACPHERSON—They were merely estimates. The Government of the day, judging by the revenue and by the necessities of the public service, ask for such amounts as they think ought to be expended at the time they ask for them. If anything occurs afterwards to make it necessary or prudent not to expend those amounts, they ought not to be expended, and if anything occurs to make it advisable or necessary to increase the expenditure, the Government should be willing to take the responsibility of doing so. Last year the total amount which lapsed was \$3,117,647, and of this \$2,343,356 was chargeable to capital, the difference between these two amounts is composed of items chargeable to income. There is another statement, one of unexpended balances, which were carried forward to the present year, 1877-8, to the credit of the Departments of Arts, Agriculture and Statistics, Penitentiaries, Militia, Public Works chargeable to capital, Public Works and Buildings chargeable to income, amounting to \$557,320. What I want to show is that the Estimates do not govern the expenditure or in any way whatever fasten responsibility upon the Government obtaining them. The Government which makes the expenditure is the Government which is responsible for it. Now, there is another item in the expenditure of 1874, which hon. gentlemen opposite charge, and which I maintain is improperly charged to the late Government, that is, the amount voted to the Civil Service under an Order-in-Council passed by the late Government. That Order-in-Council was rescinded by the present Government, and another Order-in-Council was passed re-apportioning the amount.

Hon. Mr. SCOTT—Only a part of it.

Hon. Mr. MACPHERSON—The amount re-apportioned was about \$15,000 short of the entire amount first appropriated.

Hon. Mr. SCOTT—It was not the general appropriation that was rescinded. The distribution to the Civil Service was by Act of Parliament, and not by Order-in-Council.

Hon. Mr. MACPHERSON—Seventy-five thousand dollars was voted by Parliament to the Government to apportion, as as they might see fit, among the Civil servants.

Hon. Mr. SCOTT—Yes, but there was another Order-in-Council to distribute \$60,000 among the outside service. That was rescinded because there was no authority for it.

Hon. Mr. MACPHERSON—Didn't you pass another Order-in-Council apportioning that?

Hon. Mr. SCOTT—Part of that amount was was allowed to go, and at another time another portion of it, as it was found that it created great dissatisfaction and made it very embarrassing in dealing with the public servants.

Hon. Mr. MACPHERSON—I mean to say that the responsibility of it rests with this Government, while an attempt is made to fasten the responsibility on the late Administration. My study in this whole matter has been to assign to each Government its fair share of responsibility. Wherever it belongs let it rest, and so far as I could, I endeavored to place it fairly. I do not admire the practice of the present Government of representing their predecessors as responsible for what they themselves are responsible for, and this has been the constant practice of this Government. The item in the Public Accounts for Superannuation is I think excessive, and I fear it is employed sometimes for the patronage rather than to do justice to officials who from age or ill health are entitled to superannuation. I fear officers are superannuated who might for years to come discharge their duties efficiently. With respect to the Public Works chargeable to Revenue, the hon. Secretary of State and the hon. Senator from Lambton dwelt very long and loudly—especially the latter—upon the extent to which the present Government was committed by its predecessors.

In this they were unjust. The Minister of Finance stated in his first budget speech, that the Government would not commence new works chargeable to income but would only complete those undertaken by their predecessors. So far from fulfilling that pledge, the present Government commenced at once new works chargeable to Revenue and expended upon them upwards of \$1,000,000, and that in the face of a falling Revenue.

Hon. Mr. SCOTT—In the three years.

Hon. Mr. MACPHERSON—The hon. Secretary of State and the hon. gentleman from Lambton called attention to the increased expenditure by the late Government from 1868. They proceeded to compare the annual expenditure from 1868 down to 1874, but they did not say a word about the increasing revenue which the late Government received to meet that expenditure. Will the hon. gentlemen pretend to say that with a full revenue, and with an annually recurring and large surplus, notwithstanding a reduction of the tariff, the late Government was not justified in going on with such public works as the public interest required? But why do hon. gentlemen speak of the increased expenditure, and not mention the increased revenue between 1868 and 1874? Why will they persist in misrepresenting their predecessors, and in concealing the truth from the people. The surpluses from 1868 to 1874-5 amounted to \$12,010,000. Now, did not that late state of the revenue justify the Government in going on with public improvements chargeable to revenue? The Government of that day spent \$11,280,000 out of revenue in the construction of works, which according to usage and precedent, were properly chargeable to capital. Was that time of wealth to be compared with the era of deficits which came in with the hon. gentlemen who now govern the country? I am not going to attach the whole blame for those deficits to them, some portion is due to the depression but the fact remains that in the one case there was a flowing revenue, reduced taxation, enormous surpluses, indicating prudence in expenditure, and, in the other case, increased taxation, falling revenue, deficits, and also increased expenditure. I shall

now say a few words with reference to the North-West Mounted Police Force. I have no doubt it is a very useful force, but, like everything else, it should be managed as economically as possible. The hon. Secretary of State said in his speech that the meat supply for this year will be obtained for this force at four cents per pound.

Hon. Mr. SCOTT—Yes.

Hon. Mr. MACPHERSON—I was told, when in the North-West, that an American firm has had a monopoly of the furnishing of supplies for the Mounted Police since its first establishment. I would just call the attention of the hon. Secretary of State to the necessity of managing as economically as possible.

Hon. Mr. SCOTT—I have had the administration of that Department for the last two years, and I do not see, if I had to go over it again, where I could have done better than has been done.

Hon. Mr. MACPHERSON—I stated the other evening a fact in connection with the supply of meat?

Hon. Mr. SCOTT—That was the Indian Department.

Hon. Mr. MACPHERSON—I had no intention of mentioning it to the House then or this Session, but it came up accidentally, and I stated the facts with some little uncertainty, but I find I stated them correctly. I have here a statement from Mr. Demers, who tendered for the supply of meat, which, with the permission of the House, I will read. It is as follows:—

EXTRACT.

WINNIPEG, MANITOBA,  
21st August, 1877.

The facts are briefly these: I went to Ottawa in October last, and while there wrote the Minister of the Interior, offering to furnish beef at such prices and such quantity in the North-West Territory as the Government would require during the summer of 1877, at the price of eight cents per pound. I received no answer at that time to this letter, but the Hon. Letellier de St. Just, in speaking of it to me, informed me that he would strongly recommend the acceptance of my tender, on account of the very low price, and was sure that I would get it.

In the Winnipeg papers tenders were afterwards asked for the supply of beef and other articles in the North-West, by Thomas Nixon, Esq., to be put in by the 10th May, 1877. I am given to understand that my tender of eight cents per pound was sent by the Department to J. A. N. Pro-

vencher, Esq., Indian Commissioner, who gave it to Mr. Nixon about ten days before the opening of the tenders called for by the advertisement. On the day of the opening of the tenders Mr. Nixon, not knowing my address, asked Mr. Gouin, of this place, to telegraph me that my tender, being the lowest, was accepted. This Mr. Gouin did in the accompanying telegram. I received Mr. Gouin's telegram on the 21st of May, and at once sent to the telegraph-office, distant one hundred and twenty-five miles, the telegraphic answer herewith. On receipt of my telegram on the 26th May, Mr. Gouin saw Mr. Nixon and informed him that I had accepted the contract, and had made provisions for so doing. Mr. Nixon informed Mr. Gouin that he was two days too late, and that the contract was given to other parties. Mr. Gouin telegraphed this statement of Mr. Nixon's to me, but, as I live one hundred and twenty-five miles from the boundary line, I did not receive any notice till my cattle had already started and were across the boundary line. I am also informed by Mr. Gouin that the day before the contract was awarded by Mr. Nixon to Mr. McKay, that he called upon Mr. Gouin and informed him that he could wait no longer and would award the contract elsewhere, whereupon Mr. Gouin showed Mr. Nixon a letter written by me sometime before, stating that, as I felt sure of my tender being the lowest, I had already made every arrangement and that some of my cattle had started. Mr. Nixon refused to wait and Mr. McKay got the contract at fifty-five per cent over my tender, making a difference in cost to the Government of nearly six thousand dollars. The consequences to me of the above facts have been that I have suffered serious loss. It seems to me so inexplicable that the Government should pay 12½ cents when they could get beef at eight cents per pound, and that Mr. Nixon's conduct has been so peculiar in the matter throughout. I may also state that upon my arrival here I waited upon Mr. Nixon, and reproaching him for his action, he assured me that if I would hold my tongue, there were other contracts to be given, and that he would see that my cattle were still taken."

(Signed.)

T. J. DEMERS.

A.

COPY.

WINNIPEG, 12th May, 1877.

T. J. DEMERS, ESQ.,  
Fenchtown,  
Misjoul,  
Montana Ter., U. S.

Your tender for dressed beef, October last, Ottawa, accepted to-day. Will you still fill contract? Quantity required, hundred and thirty thousand pounds, delivered from July to September, at different posts North-West. Draft thousand dollars sent to-day. Answer immediately.

W. F. GOVIN.

B.

COPY.

NORTH-WESTERN TELEGRAPH COMPANY.

Dated, Deer Lodge, Montana 25, 1877.

To W. F. GOVIN,

Will fill contract. write C. Allord at Cas-

all to be, to leave cattle required there at the proper place himself. Will soon start.

T. J. DEMERS,  
via Helena.

The hon. Secretary of State will see that the tender was not confined to the Indian Department. Mr. Demers' offer was to supply the Government.

Hon. Mr. PENNY—Have you Mr. Nixon's reply to that. One story is good until another is told.

Hon. Mr. MACPHERSON—I believe it is admitted that Mr. Demers offered to supply the beef at eight cents per pound, that the other circumstances are as stated in this memorandum, and that Mr. McKay got the contract from Mr. Nixon at 12½ cents per pound. I heard that Mr. Nixon said he could not run the risk of waiting any longer than he did for an answer from Demers. There might be force in that reason for the supply of beef, in the early part of the season, but it could scarcely apply to that for the whole season. When I last spoke on the subject, I complained of the waste of money in the North-West. Fort Pelly was first selected as the seat of Government of the North-West. A very large sum of money was spent there upon buildings. The place was then abandoned, and Battleford was selected. Large expenditure has been incurred there, and I am afraid Battleford will also have to be abandoned. Information which I have since received strengthens that opinion. I am told Battleford is on sandy, arid soil. Perhaps just about the proposed site of the town itself there may be a few inches of soil, but for an extensive area round the country is sterile—there is no wood and no population.

Hon. Mr. SCOTT—There is not much population anywhere in that country.

Hon. Mr. MACPHERSON—There is nothing at Battleford to attract population, and it will most likely have to be abandoned as Fort Pelly was. The people of the North West look upon Winnipeg as the capital of that country. They have done so from time immemorial. The Hudson Bay traders, half-breeds and Indians, all have been in the habit of looking upon it as the metropolis of the North-West, and the less instructed portion of the inhabitants look upon the authorities at Fort Garry with much greater respect than upon the Government at Battleford.

With regard to the expenditure on public works, a gentleman said, the other night, that this was no time to stop outlay. Expenditure judiciously made is generally real economy, and I do not object to a reasonable expenditure out of capital for great national works, provided it is judiciously made, but the outlay on the Pacific Railway is in the last degree injudicious, and the same may be said of a large proportion of other expenditure, which I shall not now describe particularly. I shall only further say to the Secretary of State that he has not controverted any of the financial statements I placed before the House either last Session or this, and that they convicted the Government of extravagance and mismanagement. I shall now address a few words to my hon. friend from Hamilton (Mr. Hope), who takes an exceedingly bright and sanguine view of the financial situation. I think if the hon. gentleman visits the Finance Department, his opinions must be comforting to the Minister of Finance.

Hon. Mr. HOPE—I have not had the pleasure of seeing the Finance Minister this Session. I took my statement from the blue book.

Hon. Mr. MACPHERSON—The hon. gentleman made one statement which he did not find in the blue books. He did not find the sinking fund deducted from the deficit. He did that himself. The sinking fund is an engagement just as much as any other liability of the Government, and there is no engagement more sacred than the investment of the sinking fund. If that were omitted for one month beyond the proper time, the credit of the country would be imperilled. I heard the hon. gentleman say that he deducted the sinking fund from the deficit, and he added, "now the equilibrium is restored, and the whole thing is done."

Hon. Mr. HOPE—The question of the hon. gentleman is answered, as I think, satisfactorily.

Hon. Mr. MACPHERSON—I am surprised that a business man should have spoken in the way the hon. gentleman spoke of the sinking fund, knowing, as he must know, that the Government has no more sacred engagement to deal with. If the hon. gentleman can tell us how one

dollar can be made to do service for two he will render great service to the country.

Hon. Gentlemen—Hear, hear

Hon. Mr. MACPHERSON—When money is invested in the Sinking Fund, the Government cannot employ the same money, to pay other obligations, for instance, freight on steel rails by the Merchants' Lake and River line of steamers, in which the hon. gentleman is a shareholder. The hon. Senator laughs, and no wonder, for his company received last year, for carrying rails, \$89,360.

Hon. Mr. TRUDEL—Did you find that in the Blue Book?

Hon. Mr. MACPHERSON—Yes. It is quite obvious why the hon. Senator from Hamilton should be so anxious to have the present Government remain in power five years longer. He says the way to preserve the equilibrium between income and expenditure is to keep in the present Government, which has been the Government of deficits, but which paid to his company last year no less than \$89,360; and the hon. gentleman may have visions of great contracts in the future for transporting military stores and munitions of war through the Fort Francis Canal. The name of that hon. gentleman's company, and that of Cooper, Fairman & Co., appear very often in the Public Accounts.

Hon. Mr. HOPE—When was this money paid to the Lake and River Company?

Hon. Mr. MACPHERSON—I will give the hon. gentleman the page of the Public Accounts; the date is not stated. It may have been on the first day of the financial year.

Hon. Mr. HOPE—I think the hon. gentleman will find I had not a seat in the Senate at the time the contract was made.

Hon. Mr. MACPHERSON—When the hon. gentleman was here last Session, we found an item for similar service in the Accounts for the year before. There are items in the Accounts for 1875-76 and 1877.

Hon. Mr. HOPE—The payment in 1875-6 was before I was a member of the Senate.

Hon. Mr. AIKINS—He admits having received the money.

Hon. Mr. HOPE—At the same time I would just remark there is no more impropriety in a shareholder of any steamboat company carrying rails for the Government, being a member of the Senate, than there is in a shareholder of a bank holding large deposits of money and making a large profit out of them, occupying a seat in this Chamber.

Hon. Mr. MACPHERSON—I did not accuse the hon. gentleman of having done anything illegal. I merely mentioned the fact that the company in which he is a large shareholder, received for transporting rails last year, \$89,000. I shall now pass on to the speech of the hon. Senator from Lambton (Mr. Brown) who, I very much regret, is not in his place. We were threatened with a visit from him for a long time and we were told, he would disprove all my statements, showing the increased expenditure of the Government, and would crush all Ministerial opponents. The hon. gentleman came twice to deliver his speech in defence of the Government. On the first occasion, I think those who heard his speech must have sympathized with the hon. gentleman, because it was a laughable miscarriage, and on the last occasion, after much intellectual labor the result was a very small mouse indeed. The hon. gentleman did not attempt to answer any of the charges of financial extravagance and administrative incapacity, which I and others had brought against the Government. He could not do this, for the facts were against him, but he did engage the House for some time with very entertaining declamation. I say this in the very best spirit. The hon. gentleman travelled twice from Toronto to Ottawa—1,100 miles—to deliver that speech, and I really could not discover that it was worth the travail. I thought at first the fault must have been my own for not discovering point and argument in it; that there must have been a great deal of argument and a great deal of strength in his speech, and that the fault was with me for not discovering these and their bearing on the question before the House. I thereupon asked hon. gentlemen who are in the habit of taking part in the debates of the House, and of making notes of what is said by hon. gentlemen with a view to replying to them, what points the hon. gentleman had made. They one and all gave



me the same answer, that they had not been able to discover anything in the speech answering or disturbing any of the facts which I had submitted. One hon. gentleman said he thought the hon. Senator from Lambton fancied he had made a point about the expenditure for telegraphing in 1874-5, and for immigration, but my friend knew that the error, if error there was, in respect to the expenditure for telegraphing, was not with me, but in the Public Accounts; that the Government had, through some error, placed the payments for five quarters' telegraphy in one year and three quarters' in another. I took my facts from the Public Accounts. I am inclined to think however if we could get behind the scenes we would find that there are not a few who get five quarters' pay for not more than three quarters' work. I submit that I have proved conclusively to the country, to-day, all that I ever said of the expenditure in the Immigration Department. I fancied also that there must have been great merit in the hon. Senator's speech, because of the enthusiasm with which he was greeted by his friends. I never can forget the scene on the floor of this House, on the conclusion of his speech. Hon. Senators on the other side, some of them venerable and grey-haired gentlemen, crowded round him, congratulating him, and thanking him fervently, apparently, for the great service he had rendered to them. They had no doubt telegraphed and written to him, entreating him to come, and he came and delighted them, if not with argument, with declamation, and they, in return, expressed their gratitude to him, almost worshipping him. I suppose they called to him much in the way that we are told the worshippers of Jupiter called to him to come down and assist them, and the hon. Senator enjoyed a privilege that Jupiter never enjoyed. He (Mr. Brown) was present, and received in person the homage and adulation of his worshippers. It was a touching picture, and, like all fine pictures, it was not all sunshine, there was shadow in it—a picture would not be a fine picture if it was all bright, all sunshine, and the picture I refer to did not lack shadow. The hon. Ministers were in dark shadow, they were in the background. The hon. Secretary of State had

discoursed smoothly for six or eight hours; had labored most indefatigably, and quite as effectively as the hon. gentleman from Lambton. While the Secretary of State did not refute any of my statements, he deserved well of his friends for his long and smooth discourse. But he and his colleague, the Minister of Agriculture, were left in the background. When they finished their speeches no one went up to congratulate them or take them by the hand; they were left in the very darkest shadow, but, altogether, the scene upon the floor of the Senate was a sublime tableau. I think it is not fair of the hon. gentleman from Lambton to rush away the moment he delivers one of his orations. The hon. gentleman comes down and makes what he considers, no doubt, a very effective speech. He discharges a broadside, and he should wait to see the effect it produces, even when, as in the late instances, his guns were only loaded with blank cartridge. I hope the hon. gentleman will attend in his place in this House more regularly in future than he has done in the past. It was quite evident, when the hon. gentleman appeared here, armed with Orders-in-Council, and with information of every description, obtained from the public departments, that he enjoyed advantages over every ordinary member of this House. It was apparent to everyone that the hon. gentleman's seat was not in the humble place he chose to occupy, but at the head of the Treasury Bench. That is the place where he should take his seat. It is very well known that the hon. Senator—Mr. Brown—is the real head of the Government. There may have been some little division in the headship for a time, but we know from a change which has recently taken place that it is no longer so, and the hon. gentleman should take his proper place as head of the Government, and assume a measure of responsibility commensurate with his great influence with his party. The hon. gentleman from Lambton complained of my having brought financial questions before this House. I think there is no ground whatever for that complaint. This House has a right to enquire into all the affairs of the country. If we may judge of the wisdom of our course by the effect of our proceedings on the public mind, I have no hesitation in saying—and I think hon. gentlemen will agree with me—that

the influence of the Senate has not been impaired, nor the respect in which it is held in the country diminished by the course which we have seen fit to pursue. On the contrary, it has been universally recognized that the course pursued by this Senate has been beneficial to the country.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—There may be times when from circumstances the majority supporting the Government in another place may be so overwhelming that a successful enquiry into ministerial misdoings would be impossible. When there are ministerial misdoings they not only affect the Ministers themselves, but they affect the whole ministerial party, and every member of that party is interested in concealing those misdoings. Whoever knows the process by which enquiries are pursued by large committees representing the majority in the popular House, must be aware that it is impossible to get facts that will tell against the Government of the day, or the party of the Government of the day. It is just at such times that a House, constituted as this is, is peculiarly adapted to render the country great and valuable service. Other hon. gentlemen have told how this House has been sneered at and jeered at by certain gentlemen in another place, who have since become members of the Government. There allusions to this House were exceedingly improper, and were discreditable to them, speaking as they did of one of the Houses of Parliament. The course which this House has pursued in rejecting public measures which they considered prejudicial to the interests of the Dominion, and their examination into the finances of the country, have kept it in full accord with public sentiment, and its position was never higher in the estimation of the people of Canada than it is to-day.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—If this House had been an elected body, would there be any doubt as to its right and duty to enquire into the management of the finances of the country, and is not an enquiry instituted by it constituted as it is as useful as though it were an elective body? The hon. gentleman from Lambton referred to the Committees of this House

which are sitting. He expressed surprise that I should sit upon the Kaministiquia Committee to enquire into "The Neebing Hotel!" and "Fort Williams land jobs!" It is very necessary to sit upon such committees and enquire into such matters. The hon. gentleman from Prince Edward Island said we should not refer to questions that are before committees. If the evidence which has been before those committees had been withheld from the public, I agree with the hon. gentleman that it would not be proper to allude to it here, but when the evidence is published every morning in the press of the country, would it not be affectation not to refer to it in this House when occasion requires.

Hon. Mr. HAYTHORNE—What I said my objection to be was allusions to enquiries pending before committees, and unfinished.

Hon. Mr. MACPHERSON—There is not a member of this House, and scarcely any person in the country, who does not know, from what has already transpired, that in the Kaministiquia land matter and the Neebing Hotel purchase, gross frauds have been perpetrated upon the public.

Hon. Mr. AIKINS—Hear, hear.

Hon. Mr. PENNY—On the contrary, I do not think it is anything of the kind.

Hon. Mr. MACPHERSON—A most nefarious job has been perpetrated on the country.

Hon. Mr. HOPE—Is that what the Committee have decided on?

Hon. Mr. MACPHERSON—The Committee has not reported yet, but the fact that a fraud has been perpetrated is patent; I do not say by whom; that will be for the Committee and the House to say. The hon. gentleman from Lambton spoke of the Government having inherited obligations from their predecessors amounting to \$96,300,000. Without explanation this statement is grossly misleading; \$35,000,000 of that sum were for debentures maturing, which had simply to be renewed, and at a reduced rate of interest. Then with respect to the largest obligation, which they say they inherited—the Pacific Railway,—it is a matter of history that when they succeeded to the Government of this country they were perfectly

free to do whatever they thought best with respect to that work. What are the facts? A short time before the present Government came into office, the contract with Sir Hugh Allan and his partners was declared to be at an end, and was cancelled. The only engagement to which they were then committed was the original treaty with British Columbia, and that treaty, we all know, the present Government utterly disregarded and tore in pieces, so that they were perfectly free to do with the Pacific Railway, what they believed to be for the interests of the country, and we see what they have done. It would not have been possible for men to have exhibited greater want of wisdom than this Government has shown in dealing with that work. First, the Georgian Bay Branch was placed under contract, and they lost confidence in their own judgment and stopped that work. The Pembina Branch was also put under contract, steel rails were sent up, and the company of which the hon. gentleman from Hamilton is a member, was paid an enormous sum for their freight. Then, suddenly, the Government lost confidence again in their own judgment, and that work was suspended. They next placed the section from Thunder Bay to Shebandowan, on the route to Sturgeon Falls, under contract, with a view to utilizing "the magnificent water stretches." After proceeding for some time with that line, they lost confidence in their own judgment again, and changed the location, adopting one so far north, as to render it impossible to use the water stretches in connection with the railway, and although this change must have been made more than two years ago, yet the Premier in another place, and the hon. Secretary of State in this Chamber, only one year ago declared that the water stretches were to be utilized from Port Savanne, through Lac des Mille Lacs, down the 400 feet of Portages to Rainy Lake, through Fort Francis Lock, and down Rainy River and the Lake of the Woods, to Rat Portage, to form the connecting link between the two ends of the railway.

Hon. Mr. CAMPBELL—Only a small portage or two, he said.

Hon. Mr. MACPHERSON — Yes,

"only two or three short portages to be overcome." Before these speeches were delivered, the location of the railway had been changed and carried nearly 100 miles north of the "Magnificent water stretches." We have received no explanation of these delusive statements. The Government placed under contract 114 miles of the railway at one end of the Lake Superior section and 114 miles at the other end, and for the West end it will be necessary to send 15,000 tons of rails—in addition to the quantity required for the Pembina branch—round by Duluth and Red River at enormous rates of freight, which may benefit my hon. friend from Hamilton, (Mr. Hope) and when all this is done we are told semi-officially apparently by the hon. gentleman from Prince Edward Island that the Government have abandoned for a time the central link—he calls it "The missing link."—although we know that neither end can be of any use until the centre section is completed. If there is not money to go on with the construction of the central link, surely the Government ought to stop the construction of the two ends now under contract. The hon. gentleman (Mr. Brown) speaking of the public debt said that I had over stated the amount of it. I said the amount of our debt is \$174,000,000 whereas the hon. gentleman said I ought to have spoken of the net debt which he called only \$133,000,000. Now, hon. gentleman when we speak of our debt, I think it should be understood that we speak of what we owe. The country owes \$174,000,000. We have assets which it is true are nominally \$40,000,000, but what are those assets? Upwards of \$22,000,000 of them bear no interest. The interest that this country has annually to pay is \$7,132,000, and the interest we receive upon all the assets is only \$648,680. I think hon. gentlemen will agree with me that when we speak of our debt we should speak of what we really owe and not of what some hon. gentlemen may assume it may be diminished to, by assets, the value of which is not easily ascertained. The deficits should have been foreseen. An hon. gentleman said that I am favorable to the increase of taxation. That does not follow by any means, but when the revenue is falling, one of two things must be done; either the revenue must be in-

creased, new sources of revenue must be opened, or there must be retrenchment—one or the other is indispensable if deficits would be avoided. The present Government did neither the one nor the other; they saw the revenue falling off, but instead of decreasing they increased the expenditure, and the deficits of course followed, amounting to within a fraction of four millions of dollars in two years. I said that the Government in preparing the Public Accounts, should be careful to see that they are correctly made up. The Public Accounts are prepared under the direction of the Government, and the Government is directly responsible for their accuracy. Ministers direct what shall be charged to capital, what to Consolidated Revenue Fund, and what placed in Suspense. It, therefore, behooves the Government not to expose themselves to the charge or suspicion of "cooking" the Public Accounts. If they place items under any but the correct heads they will leave themselves open to that charge and do the credit of the country incalculable harm.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—Now with respect to the rails in the Intercolonial Renewals Suspense Account, the hon. gentleman from Lambton admitted that if the Rails had not been on hand they would not have been purchased. I do not know whether it struck the hon. gentleman that that was evidence of very great and unpardonable extravagance. A steel rail has only a certain number of years of wear in it like everything else that is used in railways, and if it is laid and used one year or more before it is wanted, it is worn out a year or more sooner than it should be and the country is put to the expense of renewing it at the cost of further expenditure. The hon. gentleman from Lambton complained because I suggested that he must know what the Government scheme of additional taxation is, and said that I should not have stated such a thing unless I could prove it. I am not in the confidence of the Government, but I venture to say that they dare not adopt a policy of taxation without the knowledge and sanction of the hon. gentleman from Lambton. The hon. Senator (Mr. Brown) and the Secretary of State made light of our deficits and compared them to deficits

of twenty years ago, ten years before Confederation when the condition of Canada was as different from what it is now as it is possible to conceive. But if hon. gentlemen want to read of a Government denounced and condemned for permitting deficits to recur and for not covering them either by increased taxation or stopping them by retrenchment, I will refer them to files of the *Toronto Globe* of that period. They will there find the Government condemned in very much more severe terms than I applied to the present Government. I remember in those days that appeals were made to the proprietors of that journal in the interests of the credit of the country not to be exposing the financial condition of the country as they were doing. But they said it was their duty to proclaim the deficits. I think it was, and that they were not to be blamed for doing as they did. The hon. gentleman said that this House ought to send out a right key note. I think, hon. gentlemen, we are doing so. The right note for this House to send out is the truth, and I do not know that we can do better than adopt as nearly as we can the language which was used by the leading men in the present Administration and by the gentleman who has recently retired from it, before they went into the Government.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—The language which they held then was really right, true and patriotic, and no better key note can be sounded to-day. But, unfortunately, when these gentlemen went into office they forgot that note; they forgot their pledges; they were guilty of recreancy and tergiversation that was discreditable to them as public men. They disregarded and violated all their pledges and debased the public life of this country. It gives me no pleasure to speak as I have just done of the Government. On the contrary, it gives me great pain. No matter who compose the Government of this country, I should like to be able to hold them in respect, and I should like the country to hold them in respect. But the country cannot hold the present Government in respect. Ministers have deceived the people, and their maladministration of the affairs of this country is almost indescribable, and will be disastrous if continued much longer.

When they succeeded to office, I welcomed them. I thought the change would do good at the time, and I gave them an independent support in this House upon all their measures, until I had cause to lose all faith and confidence in them.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—And, hon. gentlemen, no personal interest of mine, except as one of the public, would be advanced by a change of Government. I desire a change, because, in my opinion, the good of the country demands it. When my hon. friend on my right (Mr. Campbell) crosses the floor of this House—and I hope, in the interests of the country, that he will soon cross it—I shall not go over with him. My only motive is to help to place men in the Government who are worthy of the respect and confidence of the country; men who will administer the public affairs honestly, wisely, economically, and purely; the present Ministers, in my opinion, do not so administer them; on

the contrary, they have, by their conduct, shocked the moral sense of the people.

Hon. Gentlemen—Hear, hear.

Hon. Mr. MACPHERSON—I say so unhesitatingly. Will any hon. gentleman say that the prevailing feeling from the Atlantic to the Pacific is not one of disappointment with the present Government. I am sometimes told that I am always attacking the Government. If I suggest economy and retrenchment in the fulfilment of pledges given in past years, or the avoiding of useless expenditure, or improved Administration generally, it is all characterized as attacks upon the Government. The truth is, it is impossible to refer to the Administration, or to the individual members of it, except in terms of condemnation. I would much rather support the Government as I did in the early sessions of this Parliament, and feel that they deserved support, than to be exposing their deficiencies as I feel it my duty to do now.



